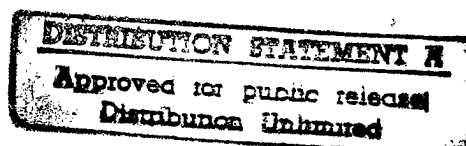




# ***JPRS Report***



# **East Europe**

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# East Europe

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30 September 1991

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**Langos on Structure, Tasks of Interior Ministry**

*91CH0919B Prague REPORTER in Czech 11 Sep 91  
pp 10-12*

[Interview with Jan Langos, CSFR minister of the interior, by Lukas Marvan; place and date not given: "A Well and Better-Concealed Policy"]

[Text] [Marvan] Of the security components, the Ministry of the Interior currently has jurisdiction only over the Administration of the Federal Police Investigative Service and the Rapid Response Unit. Under whose jurisdiction is the FBIS [Federal Security and Information Service]? Does the federal government have an influence on it?

[Langos] The Federal Security and Information Service was newly established by a Federal Assembly law which also stipulates its subordination. The FBIS is subordinated to the government as a collective organ. This formulation makes it impossible for the prime minister to subordinate the information service to any individual member of the government. In my opinion, this is a transitory status, because in addition to the FBIS, a classic intelligence service comes into being which will collect information abroad. The Army also has its intelligence service. We lack an organization which would coordinate and guide the activities of all Czechoslovak intelligence organizations in such a way that the government could acquire specific information for its use. For example, what is involved here is support for the security and defense preparedness of the country. I have already informed the delegates of the defense and security committees of the Federal Assembly of the need for a law which would establish the conditions for operation and methods of tasking applicable to all of our intelligence services.

[Marvan] Why has this law not already been created?

[Langos] This is a very complicated problem. The new people at the Ministry of the Interior took months before they dealt with it. It was necessary to correctly assess the danger inherent in these components which are moving about in the pretrial area and which operate in secret.

[Marvan] Was not a certain excessive sensitivity on the part of society with respect to the intelligence and counterintelligence service caused by fear of a "new StB [State Security Police]," a sort of brake acting on the coming into being and the first steps of the secret services?

[Langos] I have worked in the parliament from the end of March 1990. In other words, I had the opportunity to perceive the way in which views were changing with respect to the disestablishment of individual directorates of state security. In the first few months, there was prevailing irrationality, hatred, and a resulting sense of fear. Some mistakes were made, the consequences of which extend to the present time. In the new parliament, the problem of having an Office for the Protection of the

Constitution and of Democracy became a political issue, utilized by certain delegates as well as people outside of the Federal Assembly. We are attempting to protect these organizations against the political influence of one party; better stated: Information must not be made available exclusively to certain parties. This is where the great danger lies.

[Marvan] Do you have in mind, for example, the interpolation of Mr. Sacher?

[Langos] This occurred later; not until this year.... Mr. Sacher is a politician. He does not take the security side of things particularly into account.

[Marvan] At a recent briefing at your ministry, it was said that the main intent of the new concept is to separate the executive police components from the organs of state administration. Could you provide some more detail on this?

[Langos] Primarily, what is involved is to separate the function of the supreme official organ of police components from the minister of the interior. The minister loses his direct command authority. Today, this authority is vested in the director of police. The minister may intervene only in the organization and with respect to collaboration between components of the federal police corps. He is obligated to create the material, technical, and financial conditions for the activities of this corps.

[Marvan] Does that mean that the federal minister has the opportunity for controlling the work of police corps?

[Langos] Control is implemented by the Office of the Federal Ministry of the Interior for Investigation, into which the one-time Department of Investigation of the Inspectorate of the Ministry of the Interior will be transferred. This office investigates even possible criminal activities on the part of policemen and is separated from the police corps. It is directly subordinate to the minister.

[Marvan] Today, you have only one deputy, the functions of the others have been eliminated. Is this not merely an administrative transfer?

[Langos] To a considerable extent, the units of the Ministry of the Interior were independent, they had their own rear services and technical support components. During the previous method of direction, the minister needed several deputies, whom he directed like a commander. These units are now transferred to the jurisdiction of the director of police and some of them have been gradually disestablished. The structural change at the ministry consists of creating a small coordination and conceptual unit, directed by the minister. However, one deputy must remain here to take the place of the minister in committees of the Federal Assembly and in the government. This function is performed today by Mr. Ruml.

[Marvan] Mr. Ruml is, however, simultaneously the director of the federal police corps....

[Langos] The function of deputy should be temporarily handled by the director of the federal police corps because some of the units subordinated to him are not pure police units. What is involved here are military units of the Ministry of the Interior and the passport service. After these units have gone out of existence, it will no longer be necessary for a single person to perform two functions.

[Marvan] How do you feel about the statement by the former investigator of the Slusovice case, Captain Zak, that your orders tend to disappear? According to reports in the press, you "stood behind him until the last minute," but not even you are reported to have any power over the "middle levels of the security components."

[Langos] The case of Capt. Zak does not fall under my jurisdiction. I cannot, therefore, issue any orders in this connection and do not even have access to all of the information. I only went along with the desires of the Association for the Just Division of Property of the DAK Slusovice and facilitated a meeting between the cooperative members, their legal representative, and Capt. Zak with Ministers Sokol and Kubat. This was not a consultation. The Ministry of the Interior and the Office of the Prosecutor are dealing with the Slusovice case. However, it is true that some federal policemen are working on that team and that the FBIS is collaborating with them.

[Marvan] Is the agricultural combine at Slusovice actually some kind of center for dark forces in this country or is their problem deliberately blown up so as to cover up other problems?

[Langos] I am most interested in the matter of two registrations. The Office of the Prosecutor has thus far not said anything precisely. It would seem to me that the DAK MOVA was able to present documents which might completely change its legal standing with great difficulty during registration in Bratislava. As long as no adequate explanation is found, a dangerous precedent arises for a state with dual laws. At the invitation of Minister Sokol, I participated in the consultation with the investigators. From what I heard here, it is clear that the Slusovice case is very complicated and that the investigation is truly broad in nature. However, I believe that in-depth financial control should be part of the investigation.

As far as that "center of dark forces" is concerned, I must state that the information which I have at my disposal does not give me the best of feelings. There is the danger that unseen power groupings will come into being which will be "buying politicians" and policies.

[Marvan] Where do you think the requirement stems from to establish a home guard in Slovakia? Do you believe that it will be created? The Hungarian Independent Initiative intends to question you, through the use

of its delegates, in conjunction with the declaration by Lieutenant Colonel Socha, who is the chairman of the Association of Slovak Soldiers, regarding the alleged smuggling of Israeli-manufactured weapons into southern Slovakia....

[Langos] From what has thus far been said in Slovakia about a home guard, I judge that this is a trial balloon, to see how the public would react. Pressure will certainly increase and it is clear where it will be coming from. The reasons are purely political. From the legal and specialized standpoint, the creation of any additional armed component, supported by arguments heard thus far, would be pure nonsense. I believe that what is involved here is a highly dangerous self-destructive step. As far as the alleged smuggling of Israeli weapons into southern Slovakia is concerned, I do not have the slightest proof that any of the Israeli security components would do something so stupid. It is up to Lt.Col. Socha how he documents his claim. With the greatest of likelihood, this is again a political device.

[Marvan] How extensive an impact do the activities of any foreign intelligence services have in our territory? What can you say regarding the KGB residentura?

[Langos] It is likely that in addition to having a connection with the StB, the KGB had an independent residentura here. However, this organization was not adequate for the new situation and, consequently, new mechanisms of influence have been created. Currently, the KGB has several information sources in Czechoslovakia. One such source is made up of the former members of the StB. However, we anticipate that even some current employees of police components are cooperating with the Soviet secret service. The KGB certainly has extensive listings and does not have any problems in seeking out suitable individuals. Another (classic) source involves commercial and diplomatic representations. It is important to know what the individual intelligence services in Czechoslovakia are concentrating on. Which of them is attempting to operate actively here? The recognition of the type of targeting by individual intelligence services and recognition of their activities is the principal task for the FBIS for the foreseeable future. Certainly, this task will also involve limiting the influence of the KGB on our internal situation.

[Marvan] Has this active operation you mentioned already been identified here?

[Langos] Several attempts to obtain cooperation have been uncovered. It is clear as to who is most interested in such cooperation. It is the Soviet Union and some Arab countries.

[Marvan] And as far as the Western intelligence services are concerned?...

[Langos] I am convinced that they are not operating actively with any influence here. That does not mean that they are not interested in exerting a negative influence on the internal political situation. However, the

problem is protecting state secrets. It is necessary to recreate covert communications channels between the ministries, the police, and the Army. We must begin using a different type of equipment than that which made up the system of the encrypting service of the Warsaw Pact countries. Similarly, it is necessary to complete the exchange of personnel at diplomatic missions and to increase discipline in working with economic secrets.

[Marvan] Will information regarding the activities of the Ministry of the Interior during the time of the war in the Persian Gulf be released?

[Langos] Our pyrotechnicians had to go into action several times, but it was never any case indicating professionalism. We really asserted extensive security measures. The most important thing, however, was the open exchange of information involving a number of Western intelligence services regarding individuals under surveillance. All of those who were in the listings and who moved about Czechoslovak territory were being monitored by us. We knew even of the movements of people of whom it could be anticipated that they would be sympathetic to the other side and we were capable of making preventive incursions.

[Marvan] In recent years, Czechoslovakia conducted extensive industrial espionage. How were these materials handled, are they usable?

[Langos] A part of these documents was acquired for the Soviet Union and a part was offered to Czechoslovak research institutions. After 17 November, there were only a few catalogues and manuals left, nothing of importance.

[Marvan] How do you view the announced transformation of the VPN [Public Against Violence] Party into a rightist party?

[Langos] I would much rather talk of a more conservative program, of political theses. In my opinion, it is inappropriate for a political party to designate its orientation in such a strict restricting manner. My activism within the VPN Party depends on the further focus. If it will contain elements of conservatism, then it is likely that I shall participate in the work of the VPN. Unfortunately, the political interests of the Slovak public are now concentrating upon short-term goals. There is a lack of capability to perceive the longer-term ones. This is also connected with the exaggerated emphasis on social questions. The notions of some Slovak politicians, who loudly criticize the central power of the federal government, unfortunately end with the central power of the Slovak government and efforts to acquire power. The "nation" and the citizenry are disqualified from the game.

[Marvan] Thank you for the interview.

### Havel's Adviser on Alternatives to Parties

91CH0917A Bratislava KULTURNY ZIVOT in Slovak  
8 Sep 91 p 8

[Article by Miroslav Kusy: "How To Deal With the Omnipotence of Political Parties?"]

[Text] Democracy involves, among other things, also discussion. A fair discussion presupposes respect for one's partner and for his views. If I declare in advance that I do not take my partner seriously because his opinions are not up to my standard, then we cannot have a democratic discussion. All I can do is to educate that partner. In NOVE SLOVO No. 32 Boris Zala, Ph.D., provides a political lesson ("On the Rationale of Political Parties") for the president and along with him, for all those who may be considering a new election system "that allegedly would eliminate the negative aspects of partisan politics." Mr. Zala was "shocked" by such considerations which he regards as "immature." Therefore, he decided to defend—"even against the president's immature considerations"—the principles of partisan politics which, in his view, are the only truly democratic ones.

As a rule, no respectable society, including the democratic ones, would treat its president like a little schoolboy not mature enough to attain the level of his "instructor." What could have provoked B. Zala's reaction?

Zala's criterion of maturity or immaturity of views on the essence of parliamentary democracy stems from his contention that political parties play a role that is of special importance for the running of that democracy. Those who agree with Zala and who therefore also favor a proportional (i.e., partisan) election system over a majority (personality) one, think in a "mature" way, and the rest are "immature."

I belong to the latter group because I doubt that a partisan election system is superior to a system focused on personality; I do not believe in the party's omnipotence and in party guarantees of democracy. We have already had experience with such guarantees in the past; in addition, our development since November 1989 has increased my mistrust even more. Thus, I am not at all convinced that we shall achieve parliamentary democracy if we parcel up our republic and its citizens among political parties.

B. Zala acts as though the advantages of a proportional election system were preordained, absolutely clear and indisputable, and conversely, as though the majority election system had been uniformly rejected all over the world as something obsolete and an obvious failure. Therefore, he has no intention of dealing with it: Simply, his article leaves "no ... space for politological analyses of that antidemocratic idea."

So much more the pity. If he would give it some space, he would have to admit that both election systems are

applied in Europe and that both have their advantages and shortcomings which are well known here, though it is certain that they do not stem from the democratic character of one and the antidemocratic character of the other. That may be confirmed by any dictionary of political terminology and any elementary textbook of political science which can unambiguously prove that the majority system is neither less democratic nor more "immature" than the proportional one. In this context I would suggest that B. Zala consult, for instance, our own *Concise Politological Dictionary* (by Toth, Krno, and Kulasik, Bratislava 1991) and look up the terms "proportional representation" and "majority system." I recommend that he read current articles and essays appearing in the newspapers of various political orientations, which compare the advantages and shortcomings of both electoral systems. Nowhere can we detect such biased preference for one of them as the one we find in his article.

Consequently, is it not plain and simple demagoguery if all that is dismissed with the word "immature"?

How does B. Zala justify his attitude? In his words, (1) political parties are "the cornerstone of pluralism," because (2) precisely they "help crystallize, clarify, and express the interests of various groups. They unify like-minded citizens; they unify their interests and objectives in order to make it possible for their adherents to exert real influence on public conditions and to constitute the will of the state." (3) Ergo, a citizen with no party affiliation is excluded from participation in political action: "Only a citizen who is affiliated in political parties or who supports political parties is able to enforce his interests." (4) And thus, political parties alone provide a rationale for democratic political institutions: "Without political parties, the parliamentary system, the universal and egalitarian election right, and the majority principle make no sense." Of course, even B. Zala recognizes (5) the role of personality in politics; however, in his view only a politician can be a personality "who recognizes the genuine mosaic of interests in society and is able to seek the most advantageous way in such antagonistic lines of force. From the policies of the parties he obtains accurate information about the strength of those interests."

Let us take these issues one by one.

(1) Zala does not say how many political parties are required for plurality. Nevertheless, from his statement it follows that the more political parties there are, the more plurality—and thus, also the more democracy—there is. Seventy parties certainly are more, let us say, than two; therefore, do we have 35 times more democracy than countries with a two-party system? If parties are the cornerstone of plurality, then each political interest must be promoted by a party—the more the better. Does B. Zala recognize any other politically valid representations of plurality of citizens' interests, such as, for instance, trade unions, associations, unions, movements, leagues, organizations, and so on? If he does, then

Zala's first thesis is erroneous and one-sided, as it regards the representative function of the parties as absolutely valid. If he does not, then the perception that the party system has absolute validity logically leads to a one-party system, where one party usurps the right to represent every single interest of the voters: It seems to it that the voters confirm that right in elections with 99.9 percent of their votes. We already have experience with such a system.

(2) Actually, this brings us to the next point. It is not true that parties alone express the interests of various groups, and that they alone unify like-minded citizens and enable them to influence the situation, or that parties can do that best. That is a figment of Zala's imagination. Parties either ignore very many vital interests which the citizen considers of priority importance, or pay little, if any attention to them. Parties have their own—partisan—interests, and their priority is to take over power or at least, to be part of the power structure. They adapt all their activities to that aim and subordinate to it all other citizens' interests.

Consequently, objective interests of citizens are converted into the parties' political interests. Parties thus exploit ecological interests (the "Gabcikovo" case), local and regional interests (the case of "self-government of towns and communities"), interests of the disabled (the "wheelchair" case), and so on. Therefore, when it concerns representation of vital interests of citizens, no party can replace, for instance, the Association of Towns and Communities, the strictly ecological movement (the Tree of Life), organizations of small livestock breeders and of gardeners, unions of disabled citizens...

In their sum total these genuine interests constitute the majority of all interests of our citizens. Only the rest are purely political interests in the true sense of that word (the jurisdiction of agencies of our republics; the language law; the declaration of national sovereignty; ministerial appointments...). Precisely this "rest" represents the actual domain of political parties, and precisely in this area can they achieve their full self-realization. Often enough parties act like parasites and only exploit the citizens' other vital interests about which they are not really concerned and consequently, which they fail to represent and promote (except when they are related to their power position).

In the system of proportional representation citizens elect parties and their political (election) programs which only indirectly reflect real interests of citizens. In that case the voter essentially does not vote for the candidates, and therefore, "even less influential personalities may gain a seat in the parliament. The deputies are no longer obligated so much to their election district but to their political party for which they had run" (to quote *Concise Dictionary of Political Science*). In the majority representation system citizens of a given political district vote for a specific person—a specific and responsible representative of their real interests. "Thus, every

deputy represents a clearly identifiable group of voters who elected him," (E. Outrata, LIDOVE NOVINY, 14 August 1991).

(3) Therefore, in the party and through the party the citizen may promote only the partisan agenda and the above-mentioned interests of wholly political character. He needs other forms of organization to advance his other—i.e., his vital—interests. And the election systems? "From the voter's standpoint, it may be best if he votes for a particular individual. Then he knows who exactly represents him in the parliament, and he can watch whether he is well represented there," (E. Komarik, SLOVENSKY DENNIK 15 August 1991). Moreover, he can directly monitor how his deputy represents his vital civic interests—that is, not some abstract political or partisan interests of a struggle for power. Naturally, to gain support in that struggle, parties are willing to promise citizens many things and even to fulfill some of them; however, the citizen may fully promote and assert his real interests only outside of a political party, namely, with the aid of deputies elected by the majority system.

"In countries where that system is practiced, relations between the voters and their deputy are far closer and more immediate than in other systems. Consequently, voters exert more influence on their deputy's political agenda even in years between elections, and can follow and assess his performance. As a result, the deputy as well as the voters are more directly involved in the democratic process," (E. Outrata).

Thus, if B. Zala asks "whose interests will the parliament of personalities represent," the answer is clear: Not the interests of the parties, but the interests of citizens who chose those personalities to represent them fairly.

(4) It is an indisputable fact that political parties play an irreplaceable role in the parliamentary system. However, B. Zala has forgotten one fact: Without outstanding personalities even political parties become insignificant or are transformed into a different configuration, for instance, a military-type organization whose members are subjected to harsh military discipline and all they can do is to perform their assigned tasks. If elected by the proportional system, a deputy conforms to the will of his party, while the majority system offers him far more freedom to follow his own conscience and logic, and to develop his own approach to the solution of this or that problem; this system guarantees him that until next election.

(5) Boris Zala offers here a typical power-politics utilitarian definition of political personality. Nevertheless, party politics provides accurate information not about the power of real interests of the citizens but only about the power of partisan interests in the struggle to gain or maintain power. On the other hand, when it concerns real interests of citizens, party politics often distort, slant, and present them from the viewpoint of their

partisan priorities (for example, nationalist parties interpret assertion of national identity as the citizen's paramount interest). Consequently, some priorities get blown up out of proportion while others are ignored. Party politics frequently generate artificial interests and attribute them to a class or to the nation (the class/nation demands ... the class/nation will not permit... etc). Thus, party politics present a distorting mirror of the citizens' true interests. For that very reason we need an independent public opinion poll so that the information provided by that distorting mirror may be objectively corrected. If a politician relies entirely on that information, if he begins to view it as "a genuine mosaic of our society's interests," he finds himself in Alice's storybook world *Through the Looking Glass*; in other words, he begins to move in a hypostatized sovereign circle of party interests which he regards as the only genuine ones. Thus, he finds himself in a position where in principle he contradicts a political personality who follows his or her own moral principles and logic and for whom the task of the highest importance is to serve society, and not to serve this or that political party and its narrowly partisan interests. By the same token, it is quite self-evident that every party equally emphasizes that its partisan interests and the interests of the whole society are completely identical. However, that allegation is so much more doubtful today when—instead of the "only one legitimate" party—several parties now are beginning to claim to be "the only legitimate" parties in our country.

It is not clear to me why B. Zala, in his antagonism against the majority election system, demagogically berates our president: as though the president were the sole advocate of that system, or as though he had invented it. According to B. Zala "certain circles (... that do not feel like ... implementing a pragmatic, rational political program for our citizens because that is tedious work ... individuals who by some fluke found themselves in politics although they do not belong there and although they lack both the sensitivity and the patience for it) ... are now beginning to propound an ideology of 'personality.' Personalities should lead our country, and the election law must be adapted to them—that is more or less the gist of the president's proposals for our next elections."

B. Zala had to invent such a contrived logical construction in order to insult the president. However, from the preceding analysis we also realize the extent of demagoguery and ignorance (or intentional lies) in those Zala's words. The same applies to his attack against political movements in general and the Public Against Violence [VPN] in particular, which he accuses of denying the idea of legal state, of antidemocratic tendencies, and of other cardinal sins. According to Zala, "the idea of that 'movement' and its authors are departing from the scene slowly but with tremors that are destabilizing Slovakia."

If we dismiss Zala's invective against the VPN in this statement (which rather reflects his wishful thinking), it is evident that he completely misunderstands the nature



of the ongoing process, for it is not true that after the VPN's breakup and transformation the very idea of the movement in our country has completely ceased to exist. Undoubtedly, one universal public movement has ceased to exist here; it had filled up the political and representative vacuum in our society for a while and to a certain extent. We were left with that vacuum after the fall of the communist totalitarian system in which actually a single party represented all public and group interests. Indeed, initially it was replaced by a single civic movement: if my memory serves me right, B. Zala himself started in it—as did everybody else with the exception of the communists.

Gradually individual political factions and parties began to emerge from that universal civic movement (it seems to me that Zala's Social Democratic Party also was among them); this aspect of its breakup and transformation may ultimately turn whatever is left of the original VPN into a political party.

Nonetheless, all that is only one, and in my opinion, a minor or less important part of the original universal civic movement. A similar transformation of its other part resulted in a gradual development of certain specific civic movements, for instance, a consumer movement (consumers' party), the aforementioned Association of Towns and Communities (protection of residents), self-help organizations (of teetotallers, nonsmokers, cardiac patients, the Anti-Cancer League...), the union of the homeless, feminist associations, charitable organizations, associations of the defenders of human and civil rights, the Greens, unions of the disabled, and so forth. All those civic movements are facing a meaningful future; they will grow and gain influence and respect so long as they represent and promote genuine public interests and so long as someone else does not take over that representation: I am convinced that political parties will not assume that representation. Therefore, the future belongs to specific public movements. Advanced Western democracies do not leave us in doubt about that: their political parties curry favor of the movements, and not the other way around.

As concerns election systems, which of them do those specific public movements prefer? I beg B. Zala's pardon, but I do not doubt that they prefer the majority system because only it guarantees that a certain individual will represent their vital civic interests in the political arena, and specific safeguards the fulfillment of the ensuing obligations.

To make everything clear: It is not my intention to harangue here against political parties in general, nor am I fighting to curb or liquidate them. All I want is to protest against B. Zala's conclusion that their mission in our society is absolutely valid.

A question remains unanswered: Why? Why all that malice, why all that demagoguery, why the attack against us who subscribe to different views? Why has B. Zala decided that when proportional representation is at

stake, "social democracy will defend those principles even against the immature views of our Mr. President"?

I cannot see any other serious reason except that partisan interests are lurking here behind the scene. In this case, they are the interests of such a tiny party as Social Democracy in Slovakia, whose chairman is B. Zala. As a matter of fact, every textbook and dictionary confirms that particularly minority parties find the principle of proportional representation the most expedient: It helps them become the proverbial balance wheel (such as currently, for example, the Democratic Party) when governmental coalitions are organized. Why couldn't it be Social Democracy after next elections—in a different constellation of powers?

I have no qualms with that but I dislike the strategy which Boris Zala employs to fight in order to achieve that particular objective.

### Electoral Prospects of Civic Democratic Party

91CH0919A Prague SOBOTNI TELEGRAF in Czech  
10 Sep 91 p 3

[Article by Ludek Marek: "Preelection Considerations"]

[Text] Following the long period of leftist deformation of the social life and the economy, all conceivable leftist programs are unambiguously in conflict with the objective notions of the majority of our citizens. They would be a made-up theory without any practical conviction, having no hope for real assertion.

The nonexistence of a functioning left, however, is not a democratic shortcoming of our political system, as its representatives would like to have us believe. It is a consequence of the fact that any long-term effective transformation is essentially a rightist one.

In other words, the left cannot even come up with its own complete conception. Objectively, it cannot be a program opposition, it can only postulate cheaper modifications of some aspects of rightist programs behind this objective program wall (for example, a market economy with a defined social block) and vociferate criticism of government shortcomings.

I definitely do not wish to minimize the possibilities which the left has in the preelection campaign. I have merely indicated their possible orientation toward demagoguery. Under certain circumstances, this can be very effective.

We must be prepared for this. The Communists (both the former and also the present ones) are very adept and very experienced demagogues. Their capabilities in this regard were sharpened as far back as the political struggles during the first republic and on the basis of findings of foreign communist parties and they, thus, have a highly worked-out system at their disposal.

These deft Communists today are not only in our communist parties and not even only in leftist parties. They

acquired very strong positions even in some of the colorless parties and movements which designate themselves as being centrists.

The political center is in much the same position, with respect to its program, as the left. It is compelled, in an unprincipled manner, to lean to the right and then compensates for this (so as to see itself as the center) by similar social demagoguery as that used by the left. It has no firm ground beneath its feet, it teeters around the center, once to the right and then again to the left.

The center has no political character. It is difficult to fathom. It is weak, unreliable, and, thus, even dangerous.

On the right, certain successes enjoyed by the extreme rightists, following Dr. Sladek, have recently commanded attention. Their advantage is that they can, in harmony with the actual situation, spontaneously monitor the rightist trend and, as a rightist opposition, can criticize shortcomings in the practical policies of the current government coalition.

In the more fundamental scenarios and in some actual little events in the area of the economic reform and economic policy, Dr. Sladek has taken over the critical positions held by Professor Zeleny and is proclaiming them. Even so, he could turn with confidence to other opponents of the Klaus concept for the transformation of the economy at the Prognostic Institute in Prague (headed by Professor Komarek), others at the VSE [College of Economics] in Prague (particularly Professor Matejka), he could turn to the cabaret economist M. Zeman and to Professor Svitak (who is a philosopher who is "bungling about" in economics).

This special front, ranging from the extreme right to the left, did not come about primarily on the basis of an agreement of views, but primarily because of the personal rivalry between the above-listed representatives and Mr. Klaus.

I cannot analyze and provide any details here. But I can summarize by stating that, without regard to the analytical quality or lack of quality and the undisputed denationalization of these opposing viewpoints, they have one thing in common: they end up, overtly or covertly, in a reformist (socialist reformist) economic policy and concept. They overestimate the opportunities at the disposal of the state and its organs in predicting economic development and in mastering it. They do not take into account historical facts which indicate that all reform attempts to change state totalitarianism failed as a result of the inability to solve arising difficulties in any other way except through a repentant return to the "plan" and to government "directionism." They do not admit that, to a greater or lesser extent, their criticisms and proposals do, one way or another, incite precisely toward this suicidal return.

Today, the main representative of the right is the ODS [Civic Democratic Party] and its partners who are close to its program. The expansion of this coalition is highly

likely. Program identity, or at the very least spontaneous program kinship, has a decisive significance for the internal stability of any election coalition and it would seem that this coalition will be far more cohesive and of a better quality than the coalition which existed after the velvet revolution.

#### **Slovak Separatists in Canada Viewed**

*91CH0897A Prague REPORTER in Czech 4 Sep 91  
pp 12-14*

[Article by Arnost Wagner, Ottawa: "A Drawn-out Report, or 'No Comment'"]

[Text]

#### **Bratislava, 4 December 1938**

At the exact time when I, as a six-month-old infant, was given my first inoculation shots at Vajanske Embankment No. 34, a few streets farther on a Dr. Jozef Kirschbaum was just named commander of the academic Hlinka Guard. A few days later, the commander in his new uniform was borne on a white horse through the streets of Bratislava at the head of young Guardists, with whom he later fought his way from Svoradov, surrounded by Czech tanks. At 25 years of age he was already a hero.

#### **Bratislava, 16 March 1939**

At 1000 in the morning Dr. J. Kirschbaum announces to his colleagues that he has just been named general secretary of the governing Hlinka party. He calls together the employees of the secretariat, to whom he says: "The only way for Slovakia to go is at the side of the German Reich." Kirschbaum was not yet 26 and the Slovak State was two days old.

#### **Bratislava, 26 September 1939**

Mother took me for a walk by the Danube. On the embankment, near the steamboat, I wandered into the path of a fat gentleman around whom a crowd of people were milling. The gentleman lifted me up in his arms, cameras clicked, and the next day my mother was cutting from the newspapers a photograph of a blond Aryan toddler in the arms of the first Slovak president. Two neighbors stopped speaking to my mother.

#### **Bratislava, 4 December 1939**

I was on the balcony, screaming with hunger. Mother was crying in the bathroom. That morning my uncle was taken from the University, where he worked, by the Hlinka Guard. The commander of the Hlinka Guard was Dr. Jozef Kirschbaum. Uncle never came back from Germany.

#### **Bratislava, 22 June 1940**

This is the date in the heading of the letter addressed to district commanders. In the letter it says that based on

the resolution of the Ministry of Economic Affairs, Hlinka's Party will also share in the confiscation of Jewish property. The party secretariat reserves the right to decide on the take-over of the following Jewish properties: equipment for the production of vinegar, alcohol, soda water; mills, including mills for paprika production, sawmills, machine workshops, and stone quarries. And ends with the greeting: "On guard!" Dr. Jozef Kirschbaum was secretary of this party until 29 July 1940.

#### **Bratislava, 22 September 1941**

The date on the front page of LUDOVE NOVINY No. 25, a government newspaper. Headlines: "Jews Are Finished," "The Strictest Racial Laws Against Jews Are Slovak Laws"—"In Certain Respects They Are Stricter Than German Laws!"—"We Have 270 Paragraphs Against Jews." I do some research and am horrified to find that the Germans had 15 fewer. Of the 89,000 Slovak Jews, 71,000 had perished by the end of the war. Their deportations to concentration camps was supervised by the Hlinka Guard.

#### **Bratislava, 12 December 1942**

Dr. Jozef Kirschbaum is named independent ambassador of the Slovak State to Switzerland, where monies from the sale of Jewish property are being deposited. Before his nomination he goes on an "excursion" to the Eastern Front to take a look at the fighting.

#### **Bratislava, 25 May 1948**

In a trial that began even before the communist putsch, the People's Court in Bratislava found J. Kirschbaum guilty of "the crime of treason" and sentenced him in absentia to 20 years in prison. Number of the sentence: LE XV 15/481.

#### **Ottawa, 2 December 1973**

Yesterday for the first time Free Czechoslovak Television went on the air in the West. I remember that in the first program I included the poems of Jaroslav Seifert and the poetry of Pavol Orszagh Hviezdoslav.

#### **Ottawa, 14 March 1980**

I returned home in a sour mood. Ottawa's mayor flew the flag of the nonexistent Slovak State from the town hall. In the evening my wife allowed me (I did the vacuuming) to watch television. I turned the set on and watched in horror on the screen: "heil-ing" Sano Mach, Tuka, Tiso. The Slovak League in Canada, which has its own independent program, was celebrating the anniversary of the founding of the Slovak State. In the same program I learned that Benes had Stefanik shot down, and that we are to contribute to the memorial for Jozef Tiso which is being built near Toronto. In the next broadcast of our Czechoslovak television I took exception to all that and called things by their true name. The next day somebody smeared my doorknob (guess with

what) and slashed the tires on my car. Somebody telephoned the Slovak announcer who read my contribution to say that "they will cut [her] head off." The other Slovak colleague was not answering her telephone, so they at least made threats to her mother.

#### **Ottawa, 12 January 1983**

The chairman of the Canadian Organization for Ethnic Press called a meeting in Ottawa. At the table sat representatives of ethnic newspapers: Ukrainians, Poles, Jews, Estonians, Latvians, Serbs, Croats—representatives of nations against whom the army of the Slovak State also fought during World War II. In the chairman's place at the table has been sitting for a long time the former commander of the Hlinka Guard, General Secretary of the People's Party, Dr. Jozef Kirschbaum from Toronto.

#### **Toronto, 19 March 1983**

Three hundred guests celebrated the 70th birthday of the vice chairman of the Slovak World Congress and member of the Canadian Slovak League in the Westin Hotel. Canadian Prime Minister P.E. Trudeau sent the honoree a personal letter and a medal. Greetings were sent by the ministers of culture, transportation, and emigration, by the prime minister of Ontario, and leaders of the opposition. The evening was attended by bishops, diplomats, and Stefan Roman gave a speech. At the end the honoree received the Order of Malta. The vice chairman's name was, what else, Dr. Jozef Kirschbaum.

#### **Ottawa, 28 April 1983**

In the program of our Czechoslovak television, we reminded viewers of some Slovak history and the biography of J. Kirschbaum, complete with photographs and documents. We also found that Canadian citizens confuse Czechoslovakia with Yugoslavia, Tito with Tiso, and know nothing whatsoever about the Slovak State. One somewhat more educated official is now researching to see if Canada is still in a state of war with the Slovak State.

#### **Toronto, 15 June 1983**

Kirschbaum submits an official complaint to the television company from which we are broadcasting. He threatens a million-dollar suit. The company, without my knowledge and approval, but in my name, apologizes to Kirschbaum. We object. We are forbidden to broadcast programs with a political content. Nothing against communism, nothing against the Russians and the Slovak separatists. Not even the interview with Tomas Bata, which I taped the previous day, is aired. It so happens that Mr. Bata does not agree with the so-called peace movement and says that communists have their fingers in it. In the following programs we resort to a bit of subterfuge and smuggle some politics into them. To the English-speaking censor we give a text on tourism in the CSSR.

**Ottawa, 5 October 1983**

Today I received a letter from the television company. We are out! They banned us, but "Slovak Spectrum," the television program of the Slovak League, continues to be aired. All their programs have an anti-Czech slant.

**Ottawa, 14 March 1984**

I finished vacuuming, so I can watch television again. At 1900 hours the Slovak League program is on, which, in contrast to the Czechoslovak Television, is still being aired. I am waiting for Mach, Tuka, and Tiso to appear on the screen again, because today is another anniversary of the founding of the Slovak State. But today on "our channel" there are only short propaganda films from Red China....

**Ottawa, 16 February 1985**

At the instigation of the Canadian Government, a "royal" commission is established, which is to prepare a list of war criminals living in Canada. The commission is headed by Judge Jules Deschenes. On the preliminary list of those investigated are also two Slovaks. Stefan Reistatter and Jozef Kirschbaum.

**Toronto, 15 November 1985**

Kirschbaum files a law suit against me with the highest Ontario court. Reason: I defamed his honor in my television programs. He demands compensation of almost one-half million dollars plus court costs. In cold sweat I leaf through my bank book. I have \$288 in it.

**Canada, 2 March 1986**

CBC Television broadcasts a documentary film about Jews who were dragged off to concentration camps. The main figure in it is the honorary chairman of the Slovak League in St. Catherines, Stefan Reistatter, former Guardist and functionary of Hlinka's Party in Bardejov.

**St. Catherines, 19 January 1990**

The Canadian police arrested Stefan Reistatter and accused him of deporting 3,000 Slovak Jews from Bardejov to concentration camps. Reistatter was later freed on a \$100,000 bond. One week after his arrest, the Slovak League and the Slovak World Congress began to collect money for his defense.

**Ottawa, 5 February 1990**

My lawyers telephone me: After five years of waiting, Kirschbaum withdraws his suit. I do not know if I should rejoice. I spend the evening with a calculator and the bank book in my hand. It cost me only a few thousand. Canadian Jewish organizations and Slovak Jews spent several tens of thousands of dollars preparing for my trial.

**Toronto, 10 May 1990**

I am working on a report for Czechoslovak Radio in Prague on the meeting of the Slovak World Congress, also attended by a delegation from Slovakia. It was headed by Dubcek, and other guests included Cic, Markus, and then Chairman of the Slovak National Council Rudolf Schuster. I am looking for the honorary chairman of the Slovak League, Stefan Reistatter, among the ranks of the delegates. He is not there. Perhaps he is sitting on some commission. The main speech is given by the former General Secretary of Hlinka's Party in Slovakia, Dr. Jozef Kirschbaum. Markus applauds, Schuster applauds. During the five-day meeting they both become the darlings of Slovak separatists. In August 1990, R. Schuster returns to Canada as the Czechoslovak Ambassador. His membership in the Central Committee of the Slovak Communist Party does not bother the Slovak separatists.

**Toronto, 4 March 1991**

The trial of Stefan Reistatter ends after a few hours. The criminal proceedings against him are dropped because of insufficient proof: Two main witnesses died, a third one became gravely ill, and witnesses from Slovakia refused at the last moment to testify. I am wondering how many "pressure dollars" were delivered by mailmen in Slovakia.

**Ottawa, 13 March 1991**

I returned from the first "postrevolutionary" demonstration in front of the Czechoslovak Embassy. Our countrymen, who came in greater numbers than they ever did during Husak's regime, demanded the immediate recall of Rudolf Schuster and a screening of everybody in the diplomatic mission.

They want another Slovak as ambassador, one with a cleaner past. At home I found a message to call the Canadian Prosecutor's Office. I wanted to find out from them what the status of the Kirschbaum case was, whether they will continue to investigate him. In the morning I got the answer: No comment....

**Ottawa, 4 March 1991**

I telephone our embassy and ask Press Attache Rychlik whether Ambassador Schuster will take part in the celebration commemorating the founding of the Slovak State, which is regularly held by the Slovak League in Canada. No, the ambassador will not attend, the attache told me. Maybe he is resting, maybe he has the flu, I tell myself. Before going to bed, I search the dial for the Prague station which broadcasts to foreign countries. I want to know what is happening in my native Bratislava. I get only static. The weather outside is terrible, Ottawa is experiencing its first spring storm.

**Ottawa, 10 June 1991**

I leaf through the latest issues of CANADIAN SLOVAK. In the issue of 4 May 1991 Dr. Jozef Kirschbaum writes

about the role Stefan Roman played in the Slovak nation. Stefan Reistatter and his wife Marie thank all those who helped them during difficult times. In this year's April issue I read the "Slovak response to the journal LA PRESSE MONTREAL": "...The Slovak Republic was proclaimed on 14 March 1939 by the Slovak Parliament, which arrived at that decision by a democratic process.... The decision of the parliament was a direct result of the occupation of Slovakia by the Czech Army on 10 March 1939...."

Signed: Marian Stastny, Slovak World Congress, Paul Carnogursky, chairman of the Slovak House, and Jan Stohl, chairman of the Association Quebec-Slovakia.

### Commentator Responds to Nationalist Critics

91CH0918B Bratislava KULTURNY ZIVOT in Slovak  
26 Aug 91 p 2

[Article by Sona Cechova: "Better Mother Moscow Than Stepmother Prague!"]

[Text] The above is quoted verbatim from a letter written by a young couple from the town of Banovce on the Bebrava River; I received it a couple of months ago in response to my radio broadcast "Living Words." Living or not, they cut to the quick—I received seven hundred letters, most of them angry and disagreeing, and therefore, I obviously had failed to achieve my intended purpose: To foster understanding among the nations living in our country from As to Kosice. It was all in vain that I compared, or rather, rated Slovakia higher than Switzerland whose culture cannot hold a candle to ours even after decades of totalitarian regime; Switzerland might even be willing to part with some of its wealth if it could have our Eugen Suchon, the Warchals, Peter Dvorsky, Fulla, Galanda, Jakubisko, Hanak.... Well, I had the temerity to mention the culturally fertile twenty-year period of 1918-1938 when Prague used to serve as our gate to the world, and I had the temerity to mention Jozef Tiso.

"You call yourself a Slovak?" an angry voice on the telephone asked me a couple of minutes after the broadcast; by the way, few of these indignant champions of our Slovak identity are able to write or even speak correctly. The irritated responses were predominantly anti-Czech, but what else could you expect? Without any exception, however, all their anti-Czech sentiments in my correspondence were motivated by social considerations: The parents whom the poverty during the First Republic forced to emigrate; the workers shot in Masaryk's times; the Czechs who always held better jobs—in short, every Czech was guilty of social discrimination. I upset also persons of the communist—or rather the old communist—persuasion; their letters were penned by calloused hands and it was obvious that their writers had nothing in common with the top dogs. The letters were signed in various ways—by the League Against Czechoslovakism, or by anonymous "Slovaks"—but most of them concluded with a threat: Just you wait, we'll get you, you

so-and-so and then a profanity that in most cases made some reference to the Jews and Czechs; Just you wait, you'll croak before the year's end! As I was opening such communications, I began slowly to realize why my supporters were praising me for my civic courage.

I answered every letter which included a return address. I wrote with special care to those two young people in Banovce on the Bebrava, who are devoted admirers of Jozef Tiso. I opened their reply breathlessly—it came by return mail, but even here I failed: Their recognized authority is the Matica Slovenska organization as well as and above all, the Canadian Slovaks who convinced them that it always is better to live under the protective wing of Mother Moscow than of Stepmother Prague.

Several months have passed and much has happened since then. The Public Against Violence has split up; it had been accused of totalitarian tendencies, but curiously enough, no one feared it. There is more reason to fear for the safety of Fedor Gal who had been physically assaulted in the street. Furthermore, several publications of nationalistic orientation have been added; they are frightening, if for no other reason, than because they promote "The Protocols of the Elders of Zion" published by a publishing house appropriately named AGRES.

Then in August—on the nineteenth day of that month—certain events took place in the Soviet Union. August events often lead to serious consequences—I am beginning to suspect that they in fact have been planned by astrologers. Do you know that despite his thorough security, the [Soviets] succeeded in murdering Trotsky in Mexico on 21 August 1936?

I get goose pimples whenever I think that in time our shortsighted nationalists could succeed in imposing on us a tiny, sovereign, world-forsaken and deplored Slovakia that would proudly carry on the tradition of Hitler's era.... Fortunately, our governmental representation, about which we gripe so much, was able to send the last Soviet soldier home on schedule. And furthermore, it is lucky that we have the much-criticized Havel who has earned us a good name in the world and whom Bush himself consults. Would he consult, let us say, Vladimir Meciar if the latter should find himself in one of the top positions in an Independent Slovakia?

My goose pimples reappear whenever I realize that some young people in our country—and the couple in Banovce are not alone—are sincerely convinced that Moscow is our dear mother and Prague is a wicked stepmother.

### Slovak National Uprising Reappraised

91CH0918A Bratislava KULTURNY ZIVOT in Slovak  
26 Aug 91 p 1

[Article by Teodor Munz: "August 1944: The World Knew About Us"]

[Text] Over the past half century several upheavals have jolted our political life and changed its category of

values. Personalities, events, and ideological trends frequently rose and fell on the scale of values as sharply as a thermometer on a stormy day. The Slovak National Uprising was no exception; whenever the weathervane on the roof of our political life turned, it imprinted its mark on it.

It is quite understandable that the system in power at that time would regard the outbreak of the uprising as an attempted coup. The uprising held up a mirror to its policies and ideology, but failed to induce its self-reflection and much less so its self-criticism. During the postwar period of relaxation and awakening from the nightmare, we celebrated the uprising as an event by which Slovakia contributed to the victory of the allied forces, and thus, had aligned itself with nations that were building a new Europe—that is, a humanistic-democratic Europe and not Hitler's Europe whose advent had been proclaimed by the fascists after their victory and in which Tiso had proudly included Slovakia as well.

Nevertheless, before long the weathervane on the roof made several turns. The brown totalitarianism was replaced by a red one which trimmed the uprising to its own size. So long as it saw in it the manipulations of bourgeois nationalists, so long as it saw the communists who had participated in it and who allegedly were its leaders as traitors and members of the "center of antistate conspiracy led by Rudolf Slansky," so long as it kept revealing in it machinations orchestrated in London, and many other things of that kind, the uprising was nearly banned. However, when the bourgeois nationalists were transformed into heroes, and later when Husak managed to rise to the office of the Communist Party's general secretary and president of the republic, the uprising was reprieved and what is more, glorified as an achievement of the party, and its history was distorted.

From the psychological viewpoint it is easy to understand why now, after the downfall of the communist system, we feel an aversion practically towards its every word and deed. Action produces reaction; we live in a period of its negation and of admiration for everything that it used to condemn and thus, also for the quondam Slovak State. Nationalism, jingoism and racism are being revived; there are renewed longings for unity, for some kind of totalitarian system, for a leader who would think and act for us and lead us toward a bright future. To many people freedom seems to be a burden; they mistake it for anarchy, and are willing to renounce it. That is what two totalitarian systems have taught us.

The disfavor and even aversion affected the uprising so much more because the communists had in fact manipulated it as they pleased. There were, however, also certain other factors at play. Many people automatically interpreted the apotheosis of the Slovak State as a repudiation of everything that had opposed it, including the uprising.

Such attitudes may be understandable and perhaps even justifiable from the psychological point of view but not from the logical, ethical, and other standpoints. We are throwing the baby out with the bath water; by repudiating the uprising we renounce precisely the same values which at this particular juncture we need badly both for ourselves and for the world that does not seem to know us and that gets therefore a poor first impression of us.

Against what, in fact, had the uprising revolted? Against something similar to what we began to pull down in November 1989 (but what we were unable to pull down completely to this day), because totalitarian systems have the same nature and only superficial differences. The unwanted Slovak State, imposed upon us by Hitler, was founded on Nazi ideology which represented a deliberate reaction to nearly every economic, political, and ideological trend of modern times. The difference was—or rather, should have been—that Slovak national socialism was supposed to be Christian, while German socialism was pagan (or neopagan, as Pius XI called it). Because Catholicism had condemned many such trends, the ideologues of the Slovak State fought against them also from the positions of their Christianity. According to their favorite quotation from Tuka's statements, they fused Hitler's methods with Hlinka's spirit; thus, they created a hybrid whose theory and practice sharply deviated. In theory they remained Christians but in practice they were Nazis. Never before had Christianity in our country been so discredited as in those days.

They condemned parliamentary democracy and introduced a one-party system that used an iron fist and was led by a single leader. They maintained that the Slovak nation was not economically, politically, and spiritually diversified and did not need any political parties. On the contrary, they said, it needed the kind of unity in which it had lived from times immemorial; national socialism with its democracy of choice, in other words, partisan ethics, was allegedly tailor-made for it. They abolished political parties and their press, trade unions, and associations, "so that no one would smash our nation to smithereens." The one and only party (i.e., Hlinka's Slovak Populist Party) was "the bearer of political consciousness, originator of policies, and the foundation of the state power. Therefore, there can be no contradiction between the state power and the Party." Their motto was "Everything for the nation." They preached "Christian nationalism," opposed jingoism, and promoted Christian equality of nations and nationalities, but in their own state as well as in their dealings with unfriendly states they were Nazis. In their view, nearly everybody, with the exception of the Slovaks, was evil; the worst of all were the Czechs who did not respect the Pittsburgh Agreement; they failed to deal with political and economic problems; they were democrats and foisted capitalism on Slovakia; they lived for the state and not for the nation; they were responsible for the breakup of the republic; they served as the bridge from which Bolshevism launched its attack against Roman culture; they were Freemasons and could not understand life and its

laws, for which they had to pay dearly; their literature was sleazy, and in fact, they were sleazy as well; they composed vulgar popular music and indulged in camping like tramps; they had more tombs than cradles and were dying out because of their promoting unbridled sex and adultery. And furthermore, Masaryk betrayed the motherland and the nation because he had no respect for traditions; he brought foreign ideological ferment in the country, and was a Freemason. He had no redeeming qualities at all. The Jews were no better because they were Freemasons, materialists, Bolsheviks, exploiters and thieves, perverts, and intellectuals who stultified the Slovak nation. Neither were the Hungarians spared. Those whom the Slovak Nazis could not beat up with their fists they would attack with a rifle. They declared war to Poland, the Soviet Union, England, and the United States. They regarded the Germans as their friends but sympathized also with Italian fascists and Spanish Falangists. Other than that, all the world infuriated and offended them. Thus, they missed precisely what they regarded as their most important goal: According to a prominent philosopher and ideologist of the Slovak State, "the mission and purpose of the Slovak State is to set an example of Christian nationalism and to prove that Christianity and nationalism are complementary." These authors maintained that God, their creator, assigned nations their historical mission. How will these individuals, some of them priests, face Him one day?

Naturally, when wood is chopped, chips will fly. I can understand that wood was chopped, that many Slovak complaints at that time were legitimate, and that even such a perverted system intended to help the nation in its difficult predicament. Indeed, it did help some people by offering them work and bread. But was that all that mattered? Communism did the same. The foundations on which it stood could not support Slovak welfare forever. It had feet of clay and was based on terror just like the whole Nazi system.

That was how a major part of the Slovak nation perceived it when its uprising said resolutely: No more! It was not a case of ideology or leadership of this or that political party but a revolt of positive human values, humaneness, tolerance, democracy, internationalism, and freedom against the lowest level of human perversion. In those days our nation clearly said that it had been misjudged by the Nazis, that it stood on the opposite pole and claimed the same values for which progressive mankind was then fighting. Progressive mankind was represented also in the uprising and enhanced its significance.

The Slovak National Uprising was one of our most progressive historical manifestations. It occurred almost at the twelfth hour, near the war's end, when we were in danger of finding ourselves among the politically defeated—and what was even worse—morally debased and ideologically doomed nations bearing the mark of Cain or Hitler's stigma on their foreheads. That did not come to pass. Thanks to the uprising, after the war we were able to breathe free as victors, restore our republic,

and join the ranks of the progressive nations of Europe and the world. At that moment the world knew who the Slovaks were, where they had been driven, as well as how they had escaped and found the right way out. Although another totalitarian system soon overwhelmed us and thwarted our promising development, we got rid of it as best we could and we reclaimed again the values for which we had fought already during the uprising. We simply cannot endure any totalitarian system, because by nature we are a democratic, humane, and free-thinking nation. Naturally, some people among us have not yet matured to the level of our values. In the spirit of those values we must come to grips with our current national, economic, and all other problems which neither the uprising, nor the second Republic, nor the communist regime had resolved. There is no other alternative and no other way that not only our but also human nature would tolerate for long.

Let us bear these facts in mind as we commemorate another anniversary of the uprising. We have also other past than the Slovak State and there is much in it that we may claim in the spirit of positive human values, one of which is the uprising. It should remind us of something that many people now would rather forget. Our main objective today is to do away with the whole legacy of the Slovak State, and not to revive it. Every nation involuntarily afflicted with fascism in the past—even the Germans who in Hitler's time did not oppose it too vehemently—have publicly renounced it and atoned for it. Are we the only ones to reclaim its legacy? Shall we now lose the struggle against it even though we had won it in the war? The world had known us once but forgot us just for a while because throughout the long era of another totalitarian system we had nothing to offer the world. Let our dignified approach to the uprising and our advance in that direction remind the world of our existence.

### Critical View of Agricultural Cooperatives

91CH0899A Prague REPORTER in Czech 4 Sep 91  
pp 19-21

[Article by Robert Malota: "A Burning Fuse"]

[Text] Endless rows of cows. In each row stand uncounted numbers of four-legged slaves in fetters. And each of them is shackled to a solid post of the tiny stall's partition by a strong chain that cuts mercilessly into the firm necks. The hoofs of the milk cows shift from time to time in the revolting mass of the irregularly cleared manure and remnants of bedding. The odor permeating the enormous hall of the cowbarn is powerful. So powerful, that I have to run outside to breathe some of the fresh spring air....

"Czechoslovak agriculture surprised me. You do not have to envy France or other Western countries. It is comparable with theirs, and in some areas even superior. We had no contacts for 40 years, and we imagined that your conditions are the same as in the Soviet Union,"



said the president of the French Confederation of Agricultural Insurance, Banking, and Cooperatives, Jacques Chambaud, during his working visit to Czechoslovakia in the middle of summer 1991.

However, the words of the foreign expert, somewhat influenced by his pleasant surprise, definitely do not cause any optimism in realistically thinking people with deeper knowledgeable of the situation. This much-vaunted system is, in fact, a forcibly plastered together giant with feet of clay, constructed at great cost—destruction of the environment and moral norms, enormous waste of many resources, and abuse of animals. And we have not been successful in solving the long-standing problems of Czechoslovak agriculture even in the post-revolutionary period. At the very least not as effectively as the domestic economic and political circumstances demand.

"Of course, in large-scale breeding the veterinarian is still a toiling zero," said Dr. V. Matejka, now already in "private practice" in Horazdovice in the Klatovy district. "Under such conditions we are unable to give the animals individual attention." A vet can give the best of treatments, but if the breeder himself does not make the effort to provide the proper conditions for the cows, does not feed them properly or give them regular attention, then all the vet's efforts are in vain. Because the basic problem is that these large capacity barns were built for people, not for the animals. Lowering the standards for tending the animals was supposed to bring more efficiency. Instead, the animals were exposed to long-term harmful, unnatural conditions. The service personnel in the milking parlor keeps changing constantly. You cannot do it? Very well, we'll find somebody else. And so a tractor driver helps out one time, another time men from the workshop. And the animals pay for the mistakes of the people. And the result? A cow, which under optimal conditions would calve eight to ten times during its lifespan, only manages to do so in the Czechoslovak cowbarns two or three times. The best quality milk comes after the fourth or fifth calving. That alone robs our agriculture of irreplaceable values.

But a cow is not a machine. It must be treated accordingly. But here they never took that into consideration. They accepted anybody who applied for work in a dairy farm. That is why our cows suffer so frequently from inflammation of the milk gland. And did you ever try to compare the quality of West German and Czechoslovak milk?

"When I started to practice three years ago in the 800-head large-capacity dairy farm, the officially declared calf mortality was roughly 12 percent. In reality it was about 30 percent. Which, of course, is a frightening number," explains Dr. Matejka. "A conscientious farmer lost perhaps one calf in his life. And then he would slink around the village to avoid the disgrace. After he had waited patiently for nine months for the cow to calve, he would perhaps even sleep in the barn on the straw with her so that he would not miss anything.

But now? About a month ago, I came to a JZD [expansion not given] cowbarn and noticed legs protruding from one of the cows. There was nobody around. So I helped her, and I made a note on the working sheets of those who were supposed to attend to her that they are clots. Another time I arrived after the cow had already given birth. But the calf was lying in all that mess on the floor. Those who were supposed to take care of it have already punched the clock, as they would do in a factory. The time is up, so let's go.... But that is not the way you do things in agriculture!"

Where did such alienated, factory-like, attitude in people come from? Of course, if a pig belonging to any of those sloppy attendants falls ill, every one of them is worried no end about it. But if something like that happens in the cooperative cowbarn, it is out of their mind as soon as they give the file number to the vet and record it. Why? To put it briefly, because "it" simply is not their problem. The heart of the country people no longer belongs to the land.... How long will that last? Obviously until the ownership relations of cooperative's members to the source of their livelihood change. Until farmers get firm assurance that they are again working on their own property and really for themselves. But that will happen only if the conversion part of the Law on Adjusting Ownership Relations to Land and Other Agricultural Property is approved and implemented in practice in the appropriate form. And it is precisely this legislative step for which the countryside is for the time being waiting in vain....

All considered, it seems that responsibility for the current dismal situation in this strategically important sector lies mainly with the policy of the Ministry of Agriculture that is considerably lacking in ideas, supported by an unhealthy indulgence of the government. There were almost too intense and too lengthy polemics in political circles, for example, about the Slusovice mafias and methods of breaking them up according to Minister Kubat, during which time members of the cooperatives did not know whether they should even proceed with sowing. Moreover, the discussions shifted from the professional level to a political one, and narrowed down to a personal dispute between Prime Minister Pithart and Minister Kubat. Kubat called the stance of the Prime Minister a "leftist assault", whereas P. Pithart in his interview for MLADA FRONTA DNES countered: "I do not reproach Minister Kubat for the policy which he wanted to pursue, but only that he talked about it more than he actually pursued it.... Under no circumstances am I thinking about turning the steering wheel and changing course. Rather, I am concerned that the helmsman actually stays at the wheel (and not keep running off all the time) and give his crew clear, comprehensible instructions."

Nor was the situation calmed down by the not exactly successful television roundtable in June on the Law on Land, moderated by President Havel himself. Palpably obvious was the absence in it of representatives from the



cooperatives, and arguments of the kind that "everything is in order, nothing is happening in the countryside" did not sound too persuasive. It so happened that in the meantime misgivings about the unclear situation increased considerably. A farmer, whose work requires him to think 10 years ahead, suddenly did not know what awaits him next week. Only some of the cooperative members were satisfied with being pacified by the fatalistic "it will work out somehow." To most of them it was clear that this state lacks a coherent agricultural policy. And that their cooperative faces bankruptcy, caused by the price dictates of monopolistic customers, substantial price increases of inputs, and years of the "well-proven" poor organization of direct labor.

Besides the objective causes of the decline there are subjective causes as well. In many cooperatives work morale is declining. For example, combine operators are no longer making use of good weather and do not operate their machinery from "I cannot see to I cannot see" as they used to do. They work off their time and quit, because they are paid by the hour not by the task. The slogan "not a grain to waste", hackneyed by use in the past, is very easily forgotten during marketing difficulties. And the troubles in animal production were already mentioned....

The future of our agriculture therefore lies in the breaking up our present gigantic units into smaller ones and then integrating them on a qualitatively different basis. Such new cooperatives—then really according to the notions of Mr. Chambaud—should be just large enough so that the anonymity factor would not be overriding, but that people would see each other, know each other, and be willing to help each other. But a return to the pre-war conditions is pure utopia. Today, one cow and seven hectares of land would no longer support anyone.... Moreover, during the several past decades, the generational links were completely sundered. Today's country children live quite differently than their parents did, not to speak about their grandparents. A person who does not have a deeply ingrained relationship to the land would necessarily consider farming slavery.

In any case, it will be very important for further political developments in this country for the era of legislative agricultural confusion to end as soon as possible. The countryside, precisely thanks to the past months of existential uncertainty—faithful to its conservative nature—is beginning to listen more attentively to the voices from the left. That, of course, in the current pre-election acrimonious atmosphere, represents a hidden bomb of considerable (if not decisive) force. The fuse leading to the destructive charge was lit, in spite of all objective circumstances, by state officials. Will they also succeed in putting it out in time?

### **Commercial Register To Replace Enterprise Register**

*91CH0905B Prague HOSPODARSKE NOVINY  
in Czech 6 Sep 91 p 8*

[Interview with Milos Kolacek, doctor of jurisprudence, member of the Working Group of the Legislative

Council of the Government of the CSFR for the Cardification of the Commercial Law, by "vov"; place and date not given: "Entrepreneurs at Registration"—first paragraph is HOSPODARSKE NOVINY introduction]

[Text] "The Commercial Register is a public register into which data stipulated by law is entered regarding entrepreneurs or other persons the law requires to register." This is the definition contained in the proposed Commercial Code covering a new concept in our commercial-entrepreneurial sphere. Instead of the existing "Enterprise Register," there will now be a "Commercial Register." We received additional information on this topic from Milos Kolacek, doctor of jurisprudence, a member of the Working Group of the Legislative Council of the Government of the CSFR for the Cardification of the Commercial Law.

["vov"] The Commercial Register is to be introduced in conjunction with the effective date of the new Commercial Code. What will be its significance?

[Kolacek] By using the term Commercial Register, we are returning to the traditional designation of this public listing. Its purpose is to provide an overview of entrepreneurs, information on their most important legal relationships, and, with respect to commercial associations, an overview of their wealth. An entrepreneur, or rather a person who wishes to be an entrepreneur, registers with the Artisan Activities Office (Zivnostensky urad), but, in addition to this registration, he must be entered in the Commercial Register.

["vov"] Who is it who will be registering in the Commercial Register?

[Kolacek] First of all, all commercial companies and cooperatives. Their origin is tied to this registration, that is to say, that they have no authority to have any rights or obligations until the moment of being registered in this register—in other words, they cannot engage in any entrepreneurial activities until that instant. Entrepreneurs—physical entities—will also be registering in the register. In accordance with the proposed directive of the Government of the CSFR, which will implement the Commercial Code, they need not register if their taxable deposits in the previous year were less than 1 million korunas [Kcs].

The obligation to register is accompanied by an obligation to notify the register of any changes in registered facts.

["vov"] What facts will these be?

[Kolacek] They are identified in the Commercial Code in outline. First of all, they involve the commercial name and seat of the company (in the case of physical entities, the location of their entrepreneurial efforts, and their domicile), the object of the entrepreneurial activity, the legal form of a legal entity, the name of the responsible agent, his domicile, and other facts stipulated by law. In

the case of commercial companies, the names and domiciles of the associates are listed, as is the commercial name or appellation and seat of the legal entity as an associate, to the extent to which he is such an associate. In the case of limited partnerships, the names of the limited partners and the magnitude of each of their deposits must be listed, as must the name of the general partner. In the case of companies with limited liability, the entry also includes the size of the basic wealth and the size of the deposits of each associate, the names and domiciles of the members of the oversight council. In the case of joint stock companies, the registration of the basic wealth is required, the number, the type, and the nominal value of the shares, as well as the names and domiciles of members of the oversight council must be recorded. In the case of cooperatives, the basic wealth is recorded and the size of the basic membership shares. For state enterprises, the founder is listed, as is the basic capital. The register will also carry information regarding the onset of liquidation, the name and domicile of the liquidator, any declaration of bankruptcy, the name and domicile of the bankruptcy administrator, the initiation of bankruptcy settlement proceedings, and the legal reason for expunging an entry regarding an entrepreneur.

["vov"] Whom and for what purpose will these data serve?

[Kolacek] Everyone who will need to find out the basic facts regarding another entrepreneur, a company, or a firm. That is why the Commercial Register will be freely accessible to anyone. In addition, the register will serve the needs of the states, because the entries of entrepreneurial entities and the object of its activities, including the implementation of changes, will be communicated by the registry court to the appropriate tax organization, the organ of state statistics, and to the artisan activities office.

["vov"] Which courts will be maintaining the Commercial Register?

[Kolacek] Every kraj court or possibly a kraj commercial court will be a register court, to the extent to which the laws of the appropriate national councils establish such courts. The registration court will rule on permitting registrations, which are initiated on the basis of proposals submitted by the applicant. If the court determines that the prerequisites required by the law have been fulfilled, it shall decide, by decree, regarding the accomplishment of registration. There is no appeal permitted against this decree, although a disqualifying decree may be appealed by the applicant.

["vov"] Under what circumstances might a court be able to reject the registration?

[Kolacek] In the event an applicant would not fulfill the conditions for registration or would not supply the necessary data, although he had been so requested by the court. An applicant for registration must prove his artisan activity authorization or another authorization to conduct the activities which are to be the object of his

entrepreneurial efforts, unless a special law does not anticipate this obligation. However, in the event a certain activity requires a special authorization, for example, such as qualification, as is the case with concession trades, it must be proven that at least one associate of a commercial company or a member of a cooperative is so authorized. In the event of a foreign physical entity it is also required to document permission for permanent residence on the territory of our state. The necessity for permanent agreement between the entry in the register and the actual legal status also makes it possible for the registry court to initiate proceedings dealing with registering changes for official reasons.

["vov"] We learned from the provisions on the Commercial Register, contained in the proposed Commercial Code, that, in contrast to existing practices, every entry is to be publicized in future. How is this to be accomplished?

[Kolacek] Yes, the code stipulates that the registration court will publish registration in the Commercial Register. This will involve all of the facts entered into the register, including the essential characteristics of the object of the entrepreneurial activities. Details will be regulated by CSFR Government decree, which will establish a new publications medium—OBCHODNI VESTNIK. The proposal anticipates the publication of data on entrepreneurs registered in the register and changes to these data, and considers this to be basic. Moreover, it anticipates that OBCHODNI VESTNIK will publish decisions in commercial matters, the publication of which the law permits and the court requires, it will also publish court decisions on declarations of bankruptcy and permitted settlements and all notifications by entrepreneurs, the publication of which will be required of them by the Commercial Code or possibly by another legal regulation. Similarly, the gazette will be able to publish notices of offices having to do with entrepreneurs, particularly of the offices of artisan activities and offices equal to them in standing, as well as notices which entrepreneurs wish to communicate to the commercial public regarding their firms, without being required to do so. All data will be published for fees chargeable to individuals to whom the published information pertains. There is even an anticipation of publishing selected legal regulations having to do with entrepreneurs, an activity which will, of course, not have the gazette replacing the Collection of Laws. It is expected that OBCHODNI VESTNIK will be appearing as an independent part of the daily HOSPODARSKE NOVINY.

["vov"] And finally: What is the relationship between the future Commercial Register and the current Enterprise Register?

[Kolacek] Entries in the Enterprise Register, which is maintained in accordance with existing regulations, will be considered to be entries in the Commercial Register and will, thus, not be any "renewal" of these entries.

From the effective date of the Commercial Code, legal entities or changes in existing entries will be made in the Commercial Register. Entries in the Enterprise Register which will not correspond to the provisions of the Commercial Code and its implementing regulations must be brought into harmony with these standards within one year of their effectivity.

### Capital Market Problems Viewed

91CH0905C Prague HOSPODARSKE NOVINY  
in Czech 6 Sep 91 p 9

[Article by Eng. Ivan Matejovsky, First Investment Joint-Stock Company: "Mobilization of Domestic Capital—The First Balancing at the First Investment Company"—first paragraph is HOSPODARSKE NOVINY introduction]

[Text] The first part of the balancing report (published yesterday in this space) dealt predominantly with the results of management. However, in discussions dealing with the various funds of the First Investment Joint-Stock Company (PIAS) the question is frequently asked regarding the principal difficulties encountered by the funds. Let us list only the most important of these.

As far back as November of last year, prior to the initiation of share sales, following a visit by a group of employees of the Investment Bank in London where consultations were held with the Fleming partnership firm, a London newspaper wrote that the Czechoslovaks are solving a problem of the type which is a response to the question as to which comes first, the chicken or the egg. The voracity of this formulation rests precisely in the fact that investment funds, which are quite popular in the West, are, on the one hand, a logical part of the financial, and particularly the capital market (primarily because they broker access to this market even for small clients), and, on the other hand, they require a well-functioning capital market in order to exist.

### Without Waiting for the Ideal Status

This paradox, which, incidentally, is indicative not only of investment funds, but of many aspects of our economic reform, is persisting as a significant problem and is being complicated, moreover, by the transformation of ownership (which is frequently slow or not clarified with respect to procedures). As has already been said, it is reflected particularly with regard to the method of objective numerical expression of the value of shares and renders the very process of investing associated funds more difficult. Of the conditions for the creation and utilization of the funds administered by the PIAS (in their own way, these conditions currently play the role of prospectuses of capital funds according to Western customs) the one that is known is the adopted active albeit essentially compromising approach to the solution. It generally consists of the fact that it is not possible to wait for the ideal and practically unattainable status, until all

prerequisites are created before something is undertaken. A specific example for such an approach or solution is the algorithm for computing the increase in the value of a share based on the investment.

The second difficulty is also a certain legacy of the past when nobody had any other choice in making decisions regarding utilization of their own freely disposable monetary resources on the financial market (if one could speak at all of the fact that it existed in any kind of form), other than to make a savings deposit and there were a relatively limited number of variations available for this step. Habits are an iron shirt even in this area. Moreover, savings deposits are simpler for purposes of deciding how to dispose of funds, are more graphic in nature, and, for the time being, are practically risk-free (of course, provided that the depositor does not admit there is a risk of devaluation regarding his deposits through inflation). Capital funds are more demanding with respect to decisionmaking. They are an entrepreneurial activity to which few people are accustomed. And, like every entrepreneurial activity, they represent a risk. This is precisely the principal difference between capital funds and savings deposits. It is, therefore, not totally appropriate to compare these two products, to compare the overall yield of capital funds with interest paid on savings deposits.

The third factor which exerts a negative influence upon the development of capital funds is based on the overall level of banking services and payments contacts. It is clearly not necessary to repeat the generally well-known facts regarding the backwardness of our banking system in comparison with Western countries. If we realize that these banking services were utilized during the first half of this year for shareholding purposes in various funds by several tens of thousands of clients and that these client-shareholders rightfully expect that a modern product on the financial market will be accompanied by perfect and prompt service, it is obvious what kind of thing the fund administration must overcome virtually on a daily basis. Let us add to this the fact that the very operation and working procedures connected with the administrative work load of the funds and with dealing with clients are quite new and more complicated than those involving previous products.

A review of the principal difficulties experienced by funds is not a defense of the shortcomings which are showing up in the activities of the funds or their administrator—the PIAS. However, if we evaluate the first half of the year, then it is possible to claim, without exaggeration that the necessary stabilization has occurred and that, in a very short time, it was possible to master something about which the experienced employees of reputable Western firms had expressed their doubts, to say the least. The common denominator of all difficulties is, thus, the shortage of time.

### Privatization Funds

A shortage of time will also be felt in the ensuing period, when the principal "hit tune" of the capital funds will be

capital privatization funds, established within the framework of coupon privatization. With respect to these funds, there will certainly be stronger competition than is currently being experienced by PIAS funds. It is worth mentioning here that relatively small numerical competition can be a signal or confirmation of the demanding nature of the activities connected with establishing and administering capital funds. From this standpoint, the notion of easy profits based on coupon privatization through capital privatization funds established by completely new and unknown companies, which have not yet had time to penetrate into the problems of capital funds, will have to be judged very critically.

It would undoubtedly be tempting to already now publish data on capital privatization funds of the PIAS and to describe their investment policy as well as advantages which they will offer their clients and to enterprises involved in existing funds. However this is not possible for the time being. The reason is based on the previous remark regarding the greedy (in terms of the anticipated easy profits) and little experienced competition.

The outlook of capital funds administered by the PIAS can, however, not be restricted only to "coupon" funds. It cannot be forgotten that all three existing funds are established for an unspecified duration, even though, with respect to property funds, their primary emission is supposed to be closed after the first year of existence and even though the year 1991 is a period of formation with respect to PIAS funds. This is confirmed also by the permanent and relatively stable growth in their volume. The danger of inflationary devaluation of monetary resources in the second half of this year, expressed quite optimistically, will not pass, the opposite is more likely. If investors—potential shareholders—will weaken the amount of attention devoted to their own monetary resources under the influence of worries involving coupons in the period of large-scale privatization, they will suffer losses. For today's "money" funds, this situation means that they must repeatedly demonstrate their advantage. It is precisely the combination of the positive aspects of these funds and experiences involving their administration, together with what capital privatization (coupon) funds can offer investors—funds which will likely transform themselves into such classic funds during the course of 1992—that form the content of the PIAS outlook and the outlook for its funds in the next period.

#### Savings for Investments

Some generalities which sometimes fade into the background can be added to the positive evaluation of PIAS capital funds for the first half of this year. In the first place, this is the fact that capital funds which were "introduced on the market" by the PIAS and the First Slovak Investment Joint-Stock Company, mobilize domestic capital. This is not merely a simplified contention. Data from the report of the International Monetary Fund on the world economy (see HOSPODARSKE NOVINY, 21 May 1991) could be cited which confirm

that "results of developing economies can undergo substantial improvement, but only if investments are increased and this increase requires a consistent policy aimed at increasing national savings as a source for capital accumulation." Let us add that increasing savings must necessarily be accompanied by protection against the inflationary decline of their values. The second aspect is no less important. It is actual realistic investment which is being learned by a relatively significant number of individual investors, the majority of whom are small investors. The importance of this circumstance can also be seen in comparison with coupon privatization where, in the first phase, resources will be represented by investment points and will be acquired at relatively low costs (1,000 + 35 korunas), so that managing for one's own account and one's own property will not occur for some time yet to come.

On balance, positive aspects prevail with respect to funds for the first half of the year. However, their attainment is not simple for anyone who becomes connected with the activities of capital funds.

#### Help to Companies Liquidated in Privatization

91CH0905A Prague HOSPODARSKE NOVINY  
in Czech 6 Sep 91 p 3

[Article by Josef Prouza: "Help for Creditors of Liquidated Enterprises; A Conversation With Tomas Jezek, Czech minister for privatization"—first paragraph is HOSPODARSKE NOVINY introduction]

[Text] Small-scale privatization gradually "slices off" operating units from some enterprises, and these enterprises then fall into debt. The Czech government has received a proposal to amend Law No. 500/1990 of the CNR [Czech National Council], which is intended to extend a helping hand to creditors who are dragged down into an abyss in this manner, together with the liquidated enterprises. An explanation of the sense of the amendment was provided to us by Tomas Jezek, the minister for the Administration of National Property and Its Privatization.

The amendment of Law No. 500 deals with the liquidation of enterprises which are becoming extinguished as a consequence of small-scale privatization. According to current legal arrangements, the liquidation remainder may not be compensated for out of the proceeds of small-scale privatization until at the very end of the liquidation process. In actual fact, this process proceeds in real time, it is not an event which takes place at a specific "point" in time. For example, enterprises are going under, let us say, for six months, they are gradually deprived of their sales outlets, their operating units, they are "going under" slowly and get into a difficult financial situation.

T. Jezek says that this is not a problem involving liquidated enterprises, but their debts, because these organizations create financial collapse in their vicinity, they are not capable of paying their employees, of paying

the bank, of paying their suppliers. The amendment should make it possible to provide "advances for liquidation" to help the enterprise survive tolerably until its complete liquidation. Furthermore, the amendment assigns certain authorities to the okres privatization commissions even within the framework of the law on large-scale privatization. Specifically, what is involved here is the organization of auctions and the submission of privatization projects.

In answer to a question whether financial help for enterprises before completion of the liquidation process might not help them survive longer, T. Jezek responded that the purpose is not to sustain the enterprises, but their creditors. This is rational, even from the standpoint of making this process less expensive, because insolvent enterprises are needlessly accumulating penalties for failure to pay off credits, etc., and privatization without the liquidation of obligations becomes unnecessarily costly. Also, not everything will be paid for, not every kind of invoice or outstanding debt—everything should be subordinated to strict rules.

Another interesting item which was submitted to the Czech government is the proposed procedure involved in approving direct sales of state property on the basis of privatization projects. Minister Jezek explained that this proposal approximately states that following submission of the plan for direct sale to a previously determined owner, a two-month time limit begins to run for the submission of a competing proposal. And this is without regard to the date of 31 October 1991 when, according to

the stipulated principles, the process of submitting proposals for projects is to be completed for purposes of the first privatization wave. Why so? T. Jezek continues by saying that theoretically it could happen that someone might submit a project for direct sale, say, on 30 October, and no one else could enter into this transaction. That is why there is the two-month time limit for asserting competing proposals. In the event that there are two proposals, one of which proposes the direct sale of an enterprise to a previously determined owner and the second offers to privatize the enterprise through the form of an auction, a public competition, then the second privatization project will prevail. If the same piece of state property is the subject of two or more proposals (and if all of them were to propose direct sale to various previously determined owners), they will be handled like projects in a public competition. If, let us say, there are three proposals for direct sale, a decision among them will be made, for example, by an auction.

The proposed principles of procedure even address the conduct vis-a-vis owners of restituted property. To the extent to which the citizens submit a privatization project in which they assert a claim to even another part of the property than that which is being returned to them, they are granted a sort of preemptive right to purchase—they will not have to compete for this property with any competitor, say, at an auction. T. Jezek cites an example: Mr. Novak, to whom part of a factory which belonged to him at one time is being returned, has the opportunity to purchase other parts of the factory by which the state expanded the factory in the past. And he can do so without competing with other interested parties during an auction.

**Kocsis: Former Functionary Now Torgyan's Aid**

*91CH0906A Budapest NEPSZAVA in Hungarian  
15 Aug 91 p 5*

[Interview with Andras Kocsis, chief economic adviser to Smallholders Party, FKGP, Chairman Jozsef Torgyan, by Ildiko Saman; place and date not given: "Should the FKGP's Opponents Be Sought Within the Party? Andras Kocsis: 'We Are Unable To Become Soldiers of the New System, but It Is Our Duty To Help'"—first paragraph is NEPSZAVA introduction]

[Text] The nicest aspect of this entire matter is that the KISZ [Communist Youth Organization] secretaries of the 1960's spit upon the KISZ secretaries of the 1980's, according to Andras Kocsis, a Hungarian with large capital, whose name has been linked to the Smallholders' Party [FKGP—Independent Smallholders Party] in recent months and who has been recognized as Party Chairman Jozsef Torgyan's number-one economic adviser and supporter. The former KISZ functionary, once forced to say farewell to his political career, profited by engaging himself in private ventures—he became a successful businessman. He once again appeared in the "political arena," but in the background only. Thus far he spoke mostly about economic reform, but our questions pertained to politics.

[Saman] How come you found the Smallholders Party and Jozsef Torgyan "worthy" of your support?

[Kocsis] Because the Smallholders Party has been intent on pursuing policies supportive of entrepreneurs and of national capital. At the same time Jozsef Torgyan is a straightforward man, an autonomous person; he could not be manipulated and he has consistently worked on realizing his party's election promises from the first moment on. As I always said: We should judge Torgyan by his deeds, not on the basis of his speeches. The past months proved me correct: He has been acting and making statements as a party chairman and a responsible politician should.

[Saman] As an economic adviser are you active in politics?

[Kocsis] Far be it from me to presume that my person could become decisive in this country, I have given up my political ambitions a long time ago.

[Saman] Why? Did you have any?

[Kocsis] Of course I had political ambitions. That's what I prepared myself for. I was predestined to become a politician as a result of 17 years in the youth movement and by completing the Political Academy. We are not members of the party soldier generation which defeated the 1956 Revolution, nor are we parts of the untalented rabble chosen on the basis of counter selection which insisted on being tied to desks. We are part of the reform generation of the 1970's and 1980's which wanted to do something for this country based on professional knowledge, a calling and conviction. The fact that we did not

succeed is yet another matter. Life has swept us away to various fields in the economy. And at this point we had to recognize that we were the soldiers of another system, and that based on the rules of the political game, we could not become the soldiers of the new system that followed the system change. It is our duty to help, nevertheless, if such help is required. I am pleased that Jozsef Torgyan needs such help, and I would be even more pleased if all those who framed politics today would count on our help and who were decent enough to want to see a national citizenry and democracy. This is the kind of decency I assume existed in Dr. Torgyan and in the Smallholders Party.

[Saman] Even though it was the Smallholders Party that underscored even in its new program that no system change had occurred, and that a system change was hindered by reform communists, the former political elite which took hold of economic power and salvaged state property....

[Kocsis] It is difficult to respond to this question, because "taking hold of economic power" does not constitute a profession of faith, it primarily amounts to professional competence. One should realize that beginning in the second half of the 1980's people were placed in key economic position based of their professional competence. And in particular within the enterprise empires only professionally fit persons could lay a claim. Who would seriously assert that Gabor Szeles was the political guru of the previous system? Or who thinks of Gabor Dicsu, Pinter, and Petrenko as having become capitalists because they once performed one or another political function. There has been an entrepreneurial stratum whose members did not gain recognition as economic professionals based on their political merits. And I also include in this group the leaders of the rest of the state enterprises; these people knew very well what they were doing. The funny thing is that a significant part of this group picked up its belongings and moved abroad, started private enterprises or was told to get out from their leadership positions in factories.

[Saman] Who told whom to get out?

[Kocsis] In many instances the party functionaries of the 1960's and the 1970's did so. These people were removed precisely because of shortcomings in their professional knowledge. They touted the colors of their presumed winning party when the system change occurred and as ardent advocates of Justicia they demanded housecleaning. One should be aware that no desire to do political justice stands behind all this, but instead the revenge of untalented persons. The nicest aspect of this entire matter is that the KISZ secretaries of the 1960's spit upon the KISZ secretaries of the 1980's. Because it is so easy to say that I have been in the opposition for the past 10 years, that I have been against communist enterprise management for 10 years.... But in taking a close look we would find that these people have been relieved because they were inadequate from a professional standpoint. From that point on it was

certain that these persons were in the opposition, the character of being in the opposition at least vis-a-vis the profession was beyond doubt [as published].

[Saman] This view of yours is not overly flattering from the standpoint of many.

[Kocsis] Do not misunderstand my statement! I only established certain facts. I am of the view that political opponents must be respected, and that one should start out from the basic premise that our opponents also wanted the good of the country but in a different way. Respecting one's opponent is the foundation for decent politics. The Smallholders Party may become the party of the 21st Century if it adopts this outlook.

[Saman] Aren't your standards too high? The Smallholders Party has many opponents both within and outside the coalition, moreover, the party is not united.

[Kocsis] The Smallholders Party has opponents primarily within the party, and therefore it should reach a settlement within its own ranks. This is my personal view, I should stress. I am not a member of the party and I do not dispense advice in regard to party politics.

[Saman] Many claim that you take part even in board meetings and that your advice to Dr. Torgyan is not limited to economic matters.

[Kocsis] This is not true. I do not take part in board meetings, not because there is no way for me to do so, I am the chairman's adviser, after all. In many instances it might even be useful for me to be present, but this has not yet occurred because nothing on the agenda justified my presence.

[Saman] Despite this fact you are familiar with the party, you know everything that's going on. Could the Smallholders Party come into a position in the near future to form a cabinet?

[Kocsis] I do not believe that the composition of Hungarian political life has been finalized. Equally, I do not know when elections will be held, in 1993 or in 1994. Today the Smallholders Party commands 12 percent of the votes, it is the second strongest party in the coalition, but it is not strong enough to become a ruling factor unless power conditions in parliament change. I do not know what the chances of such a change are today.

### Communist Past, Lucrative Deals of Kocsis

91CH0913B Budapest TALLOZO in Hungarian No 35, 29 Aug 91 p 1,658-1,659

[Article by Gabor Nickhauser: "Communists, the Most Valuable Segment of Humankind? The Chairman's Man"—article, including excerpts from unattributed interviews with Andras Kocsis, reprinted from HETI KIS UJSAG, 23 Aug; page not given]

[Text] Andras Kocsis, the chairman of the Independent Smallholders Party [FKGP] Chairman's Advisory

Board, has by now become the openly declared chief adviser to FKGP Chairman Jozsef Torgyan and has been financing Torgyan's book and his election campaign within the party.

With the help of documents, court decisions, firm registrations, and interviews given by Andras Kocsis, the following compilation introduces the man who turned into a businessman after a past that included membership in the KISZ [Communist Youth Organization] Central Committee [CC] and service as an MSZMP [Hungarian Socialist Workers Party] secretary, and in which he took advantage of the "opportunities" afforded to him by the Grosz and Nemeth governments, just to be practical about his communist past and to forget it, and to emerge as the highest executive of a self-declared right-wing party which thus far has carefully guarded its anticommunist character.

### Who Is Andras Kocsis?

(Excerpted from MAGYAR HIRLAP 29 April. In this same interview he claimed to be a Marxist, a dialectic thinker having a materialistic outlook—The Editor.)

[Question] (...) What were you doing 10 years ago?

[Kocsis] I labored on establishing KISZ and party committees at industrial cooperatives.

[Question] As one who has been made independent?

[Kocsis] Yes. I was an associate at the Budapest KISZ committee....

### Having Found the Small Gate

(Excerpted from NEPSZABADSAG 11 February.)

[Question] (...) You have worked as a KISZ leader for a long time; how did you become a manager?

[Kocsis] My firm "Kockazat" [Risk] organized entrepreneurial ventures. This is not easy, of course, because the peculiar Hungarian path has many obstacles. There are many legal loopholes and much over-regulation, and one must progress one way or another among these. (...) The people from Hong Kong are excellent business partners in this regard.

### The Initial Firm

Kocsis established his initial firm while a Communist Party functionary; it was registered in Kecskemet in 1988. [Working] alongside Vienna based American businessman Charles McFerren—who has multiple and valuable business contacts in the Far East—Kocsis was able to afford to invest 5.180 million forints in the firm and thus acquired majority control—51.8 percent of the shares—in Kockazat, Inc. The firm only appears to be operating at the place where it was registered. One wonders why. Although they opened an office in Kecskemet to maintain semblances, the real headquarters are located in Budapest. The office opened for outward

appearances has been given to Kockazat, Inc. free of charge by the Southern Plains State Breeding Farm. One wonders, who distributes public funds so generously, and why? Andras Kocsis, the MSZMP secretary and a KISZ associate made independent, took advantage of the rising opportunities.

### The Big Bite

An odd firm was established in Bekescsaba in October 1989. As suggested by upper-level [party] apparatus of course, workers at the Bekes County Investment Enterprise "decided" to convert themselves into a stock corporation. They included in the racket the Executive Committee of the Bekescsaba City Council, the OTP [National Savings Bank] County Directorate located in Bekescsaba, the Council of the large municipality of Doboz, the Bekes County Construction Industry Enterprise, Bau Union Inc., the Productorg Management Firm, Agroglobat Kft. [limited liability corporation], the Komplet Construction Industry Gmk. [economic work collective] and the Association of Bekes County Industrial Cooperatives (Kocsis functioned as the MSZMP secretary for industrial cooperatives); Kockazat, Inc. where a majority of the shares was owned by Andras Kocsis, also became an owner of course. And all this still amounts to nothing: 53 of the individuals involved in the above mentioned councils, executive committees and firms in their capacity as natural persons also acquired ownership of the thus formed Thermal Invest Inc.

A study prepared by Andras Kocsis has been regarded as the intangible asset contributed by Kocsis to the Productorg Management firm owned personally by Kocsis, and to Kockazat Inc., over which he exercised majority control. Every page of the study is worth gold according to appraisals: the estimated value assigned to the study amounted to 2.150 million forints (...) Except that they were more clever than that. They made the study appear as if two studies had been prepared, one worth 1.650 million forints, the other 500,000 forints. An investigation conducted by the prosecutor should reveal whether the two studies were one and the same....

### How Much Public Property Has Been Played Into the Hands of the New Corporation?

The Bekes County Council and the Bekescsaba City Council contributed almost 20 million forints worth of real estate to the business. Subsequently they raised the capital stock worth 55 million forints to 293 million forints by including the Hotel Trofea of Bekescsaba, the Karavan rooming house, the Beliczai castle in Bekescsaba and the Breda castle at Lokoshaza. All this has been going in the plain view of Dr. Istvan Ficsor, whose responsibility it was to oversee the legality of the County Council's actions. He did not say a word. Andras Kocsis' longtime friend, Dr. Jozsef Borbola, previously the vice chairman of the Bekescsaba City Council became president of the stock corporation.

### Why Did the Prosecutor's Office Protest?

The Supreme Prosecutor filed a protest in regard to the legality of the final action registering the firm. According to the protest the determination by which the Bekes County Investment Enterprise converted itself [into a stock corporation] could not be found in the firm's documentation, and the conversion of the Enterprise was not publicized in the official gazette CEGKOZL-ONY, [in which the establishment of, and changes in firms should be announced]. The founding documents have not even been countersigned by an attorney or a legal counsel! In his protest the prosecutor states that the two studies submitted on behalf of Andras Kocsis (Productorg and Kockazat) are one and the same study.

### The Supreme Court Opines

The Supreme Court's judgment states that "The founding proposal fails to comply with the law." The judgment also reveals that among many other things, an apartment located at No. 10 Luther Street in Bekescsaba, moreover, an office building at No. 10 Micsurin Street, had also become corporate property, not to mention the garden property located in the municipality of Doboz. All these properties were previously owned by the Hungarian State, of course. Notwithstanding this fact, the Supreme Court announced a surprising judgment. Along with a determination that laws have been violated, Justices Mrs. Dr. Jozsef Gabanyi, Dr. Maria Bodor and Dr. Katalin Japport sustained the registration of the firm as valid, claiming that Thermal Invest had already come into being, that it had already established various business relationships and that the violations of law did not carry sufficient weight (!) to render the operations of the firm illegal on a continuous basis.

### What Has Been Produced by Thermal?

Another firm called Thermal Aero, of course, engaged in air transportation and in providing airport services. The firm has leased airports in Bekescsaba and in Gyula from the Hungarian Honved Forces, and has purchased airplanes indirectly from the MHSZ [Hungarian Federation for National Defense]. Jozsef Vanyo, an excellent pilot trained in the Soviet Union, serves as the managing director of the firm. The firm's airplanes played an important role during the campaign of a speaker traveling throughout the country, for example. One wonders, who saved up the money for gasoline, and from what resources?

### What's Next, Mr. (Comrade) Kocsis?

After all this, it would not be difficult to figure out that the founding of yet another firm was in the offing. The date of founding—25 October 1990—was not only weirdly close to the day when the Hungarian Republic had been proclaimed, but also to action that resulted in a big scandal, tied to the name of Imre Nagy, the former first secretary of the KISZ CC and a member of the MSZMP CC. One may recall attempts to transfer into private ownership newspapers owned by the communist



party to avoid being included in MSZMP's accounting of property. For example, VASARNAPI HIREK became the property of DANUBE, Inc., established on the above date. But 83.7 percent of DANUBE, Inc., is owned by Kockazat, Inc., in which Andras Kocsis holds a majority of the shares, and INKOZ Real Estate Brokerage, partly owned by Andras Kocsis and registered in Tatabanya for variety's sake.

Thus the former comrades indirectly rewarded the former party secretary who has been made independent and who proved to be a clever wheeler-dealer—one, who was intent on repaying the favor last spring by having Imre Nagy appointed to head the newspaper enterprise purchased from the MSZMP. We should note as an aside that based on Court of Registry records Nagy holds interest in, owns, or is a member of the supervisory committee of 36 Kft's. The fact that the appointment has been withdrawn in a diplomatic fashion in response to sarcastic news reports was yet another matter.

#### What Else Belongs to Him?

The liberal newspaper A VILAG, for instance. Andras Kocsis appointed his friend Miklos Tarjan to head the newspaper, replacing its founding editor Zoltan Sandor Biro. Tarjan is a graduate of the Moscow political academy and is known to journalists primarily because of his enthusiastic young communist past. Tarjan passed the test for his appointment as editor-in-chief by writing a best-seller entitled "The Torgyan." Not much later Tarjan drew public attention as a result of a lead editorial which praised Janos Kadar.

The fact that for quite some time Kocsis also served as chairman of the board of the firm in which he held majority ownership—supervising himself in a rather circumspect manner—was particularly noteworthy.

#### What's Next?

In recent statements Andras Kocsis, the number-one adviser to the FKGP chairman, declared himself a "national capitalist" and openly demanded for himself and for his associates of similar character a share in the exercise of political power. He admitted that only by [sharing political power] could he feel secure about the things he acquired thus far. His articles promoted a second compromise.

P.S.: Communists, the most valuable segment of humankind. "Communists who followed their convictions should be of no concern to us—they believed in something. And those who believe comprise the most valuable segment of humankind. And why should there be a distinction between faithful communists and people who follow their religious convictions?"

(Dr. Jozsef Torgyan's statement in *MAGYAR HIRLAP*, 3 August.)

#### Torgyan, Jewish Groups Agree on Compensation

91CH0875E Budapest NEPSZABADSAG in Hungarian 23 Aug 91 p 5

[Article by Akos Toth: "Smallholders Urge Personnel Replacements; Goncz-Torgyan Meeting Slated for 3 September"]

[Text] It is the Smallholders Party's earnest wish to see the Hungarian Jewry—which it considers to be an integral part of the Hungarian nation—find its aspirations here in this country; our party will combat all manifestations of anti-Semitism, declared Jozsef Torgyan, president of the FKGP [Independent Smallholders Party] at a press conference held during a recess of last Thursday's session of the party's presidium.

As he told the press, on Thursday they had held discussions with representatives of the Federation of Jewish Congregations, where it was agreed that Jews would also be entitled to compensation for their pre-1945 grievances, with the proviso that the granting of compensation would "have to be in full concordance with the country's burden-bearing capacity." In addition—we have learned—the leadership of the party has also met with Laszlo Keller, the East European president of the Jewish World Federation, who was briefed on the political tenets that shape the FKGP's policies.

He was followed by Vice Chairman Sandor Karassay, who told reporters that in connection with the events in the Soviet Union they had sent a letter to Prime Minister Jozsef Antall, reminding him that "in some areas, the promised personnel changes still have not materialized. Therefore it is imperative that anyone whose reliability is even remotely in doubt be removed, demoted, reassigned, or transferred from the ranks of all military and paramilitary organizations as well as from institutions that are vital to the functioning of the state, and be replaced by trustworthy individuals," stated the vice chairman.

Later during the conference Jozsef Torgyan announced that on 3 September he would be meeting with the President of the Republic Arpad Goncz to apprise him of the FKGP's political objectives. In addition, he said, the party was preparing for the intracoalition coordinating negotiations slated for late August or early September.

#### Anti-Fascist Organization's Checkered Past

91CH0906B Budapest MAGYAR NEMZET in Hungarian 21 Aug 91 p 5

[Interview with Sandor Sarkozi, chairman of the Association of Hungarian Resisters and Anti-Fascists, by Balazs Sipos; place and date not given: "On Both Sides of the Blockade: Resisting Resisters"]

[Text] For a long time it seemed as if the Association of Hungarian Resisters and Anti-Fascists [MEASZ] had quietly lived through and survived the system change,

albeit amid minor shocks. Since then, however a "competing" organization has emerged, the Hungarian Resisters Association, and the level of support approved by parliament (1.5 million forints annually) would not suffice to pay the rental of their impressive headquarters. Is MEASZ here to stay, or is it going to disappear slowly? I asked this question from MEASZ Chairman Sandor Sarkozi (age 69).

[Sarkozi] At first we should clarify the meaning of resistance in Hungary's history. Many doubt the very existence of such activity during World War II. Suffice it to say that resistance served as an "argument" during the Paris peace negotiations: then Foreign Minister Janos Gyongyosi brought this matter up to prove that not the entire country went into the service of Nazi Germany. Quite naturally, there was not a large enough number of resisters who could have fought the occupying forces successfully.

#### Limited Membership

[Sipos] Would it be possible to determine the number of those who took part in the resistance movement?

[Sarkozi] Even a military unit had been established when the Provisional National Assembly convened in December 1944, it fought on the Soviet side against the German troops. Including these democratic divisions there could have been as many as 60,000 to 70,000 resisters. At least insofar as we are concerned, we regard that many people as our comrades in arms. But the membership only amounts to a fraction of this number: we have about 8,000 members. Membership has recently increased. This increase, however, was not caused by new resisters, new partisans mushrooming from the ground. However odd it may seem at this time, the MSZMP [Hungarian Socialist Workers Party] leaders did not like MEASZ because the resisters, or more accurately, some of the resisters made no secret of their negative views. They were accustomed to risking their lives in defense of their views. And they regarded members of the Western resistance as even more dangerous. The consequence of all this was that not everyone could become a member of the association and that membership had been restricted. For example, for a long time members of the democratic army of 1944 could not be admitted as members. And once they were able to join MEASZ, they were not qualified as armed resisters. Many people were expelled after the 1956 Revolution. Even though if something had nothing to do with past resistance, it amounted to a role played in the revolution [as published]. Fighters on both sides or the barricades can be found among us.

[Sipos] How could these mistakes be rectified? What have you done to enable this artificially withered association to perform its real function?

[Sarkozi] We took several steps to correct these mistakes. First of all, the leadership and the presidium are entirely new. Second, we discontinued the 1956 branch of the association, we reviewed the membership of persons

expelled at that time. We were subjected to a broadly based attack because recipients of the "For a Worker-Peasant Rule" medal were automatically admitted as members, while those persecuted by the Nazis were not. We changed both situations. But we are also making an effort to reveal the history of resistance manifested by the churches.

[Sipos] Have you tried to enlist influential supporters?

[Sarkozi] Yes, if we regard negotiations held with Arpad Goncz as such. Even though we met with the President of the Republic only to persuade him to become a member of MEASZ. He took part in the resistance movement. In the end we agreed that Arpad Goncz performed a function under public law which prevented him of becoming a member of any organization. But we also met with Prime Minister Jozsef Antall and with National Assembly President Gyorgy Szabad.

#### Initially With Suspicion

[Sipos] How much good did these negotiations produce?

[Sarkozi] A statement made by Jozsef Antall in parliament was important from our standpoint: "The merits of anti-Fascist resistance are indelible," he said. It was after this sentence that parliament rendered a decision whether to provide financial support to MEASZ. But a decision did not come easily. Initially they received us with suspicion, they regarded us as a state party organization. Some representatives in parliament endeavored to liquidate our organization. They forgot about the fact that we, too, took part in the roundtable negotiations, and that the transition was also a result of our work. Most likely the international recognition we enjoyed tilted the scale in our favor. We are members of the International Association of Resisters and of many other international organizations.

[Sipos] Who recommended liquidation?

[Sarkozi] MDF [Hungarian Democratic Forum] Representative Tibor Zimanyi was the chief spokesman insofar as our belonging to the state party was concerned. Incidentally, he is just as much a resister as I am. The difference is the he was illegally rejected as a member prior to the system change. His latest request for admission came in 1987, and even then he was rejected. At this time we offered membership to him in vain, he did not accept it.

[Sipos] What relationship do you have with the Association of Hungarian Resisters established by Tibor Zimanyi?

[Sarkozi] We regard every member of MEASZ as our comrade in arms, even though we are not pleased by the fact that they established a new organization. But our goal is mutual: We intend to protect the interests of resisters. But there is one fundamental difference between the two organizations: The Association formed by Tibor Zimanyi regards acts of resistance that occurred

after 19 March 1944—the German occupation of Hungary—as resistance, while we go back much farther. We believe that the system during the Horthy era was not democratic. Some of our members, including myself, had already fought for our fundamental civil rights at that time. I, for example, go back with my resistance activities to 1936.

[Sipos] What relationship do you have with Kalman Keri, for instance?

[Sarkozi] Kalman Keri could become a MEASZ member if he risked his life in 1944 following the Regent's October proclamation. For this reason, he and I talked a lot, our discussions also covered the situation of the Association. But we have not been in touch for months.

### Recognized, but Still in Need

[Sipos] Are you not concerned about the future establishment of many small resisters' associations consistent with perceptions of the past held the various parties?

[Sarkozi] Unfortunately, a situation like this could occur. At present MEASZ is neutral with respect to the parties. Members of several parties are members of the board, including, for example, Smallholders National Assembly Representative Gyorgy Balogh. Nevertheless a situation in which we develop our own political platform may arise. A platform like this would uphold the fundamental values of independence, freedom and democracy. This will not be a political program of course, we lack the needed experts.

[Sipos] What activities is MEASZ involved in at present?

[Sarkozi] The decision made by parliament concerning our funding has both advantages and disadvantages. The advantage is that it rendered the association legitimate. The disadvantage is that 1.5 million forints does not suffice for the financing of any social welfare function. In earlier days we were able to provide assistance to members with small pensions; this has now become impossible. We established a foundation because of our financial difficulties. But this does not consume all our time. One of our most important present goals is to achieve that MEASZ members who received the Freedom Medal established by [former] President of the Republic Zoltan Tildy be appropriately recognized. One- or two-thousand forints per month are paid after a few other other decorations, such as a document of recognition issued by [former prime minister] Ferenc Nagy.

### Workers' Alliance Party Claims To Fill Vacuum

91CH0913A Budapest TALLOZO in Hungarian No 35, 29 Aug 91 p 1,649

[Interview with Mozes Kovacs, head of the Hungarian Workers' Democratic Alliance, by Laszlo Juszti; transcript of television broadcast program KINN, PADON, 21 Aug, time not given: "We Represent the Workers' Interests"—first paragraph is TALLOZO introduction]

[Text] The recently established Workers' Alliance espouses social democratic ideals, according to its chairman, Mozes Kovacs. The questions were asked by Laszlo Juszti; Tibor Udvarhelyi was the editor.

[Juszt] It couldn't have been more than 10 days ago that a new political formation came into being at Pecs: the Hungarian Workers' Democratic Alliance—or Workers' Alliance, in short. Its head, its secretary—I don't know your title, I do not know what title you chose for yourself—is Mozes Kovacs.

[Kovacs] I am the chairman of the managing body, and the founders, not I, chose this title.

[Juszt] Accordingly, the party has been established. How many members do you have?

[Kovacs] Fifty-six people joined on the spot. Since then, organizing work has been going on in various parts of the country; I cannot give you a membership figure.

[Juszt] Fully aware that this question may sound obsolete, let me inquire about your ideological foundations. You ran in the elections on the social democratic ticket, so far as I know.

[Kovacs] We didn't have much choice. The party will build on the social democratic ideology. The communist line has been taken, hasn't it; there also exists a socialist line and by now a center is also beginning to take shape.

[Juszt] So much reference has been made in the past to social democracy that the idea has virtually lost all credibility. Isn't it too risky to start this way?

[Kovacs] We are not establishing a social democratic party. The basic principles are social democratic principles, but as reflected in our party's name, we want to gather a broader base around ourselves. We will represent the interests of workers, of people who make small incomes.

[Juszt] This, too, is risky because worker's interests have been invoked in Moscow when the tanks rolled in!

[Kovacs] It is risky, but in Hungary the situation is different from that in Moscow. In Hungary the political system change is by and large complete and the picture shows that workers lack political representation. This is what made us move.

[Juszt] Are you aware that very many politicians would argue with your last sentence?

[Kovacs] I am aware of that, but I also know where the workers lined up, and where they did not line up.

[Juszt] Whom do workers support, in your view?

[Kovacs] They support no one.

[Juszt] Would you then say that party leaders and politicians who claimed that they enjoyed the workers' support were not telling the truth?

[Kovacs] I should, at this point, also name the parties....

[Juszt] Go ahead!

[Kovacs] I will name the MSZMP [Hungarian Socialist Workers Party]. It primarily concentrates former workers within its ranks. The MSZP [Hungarian Socialist Party] was formed out of second- and third-echelon white-collar MSZMP party members, and these are its members even today. One can find workers only in rare instances. And I do not believe that we could mention other parties at this time.

[Juszt] The Smallholders [FKGP—Independent Smallholders Party] claim to have the support of workers.

[Kovacs] And I claim that anyone placing a strong right-wing program on his banner will not have the workers' support. Recently Mr. Torgyan [FKGP chairman] has been increasingly forceful in declaring that [his party] intended to be primarily the party of large industrialists and of those in the private sector who have big money and big capital. If that is the case, workers will not line up behind that party.

[Juszt] This party would not have come about at all had you succeeded in those days obtaining a parliamentary mandate, because then you would have clearly become a social democrat.

[Kovacs] This is not at all certain. By then we were able to see the beginning of a shift toward the Right in the Social Democratic Party, a tendency that has actually been there since the very beginning. Workers do not accept this. One can clearly recognize today that the Social Democratic Party has lost even the membership it had at the time of the elections. In my view the Social Democratic Party has only a very few members and the leadership dominates the party.

[Juszt] Accordingly, you are building on clear social democratic foundations and on social democratic constituent support. The more so, I think, because a long time ago social democracy and the trade unions had been almost united.

[Kovacs] We will build primarily on the trade union membership, i.e., not on the Social Democratic Party. This is why we needed to have leaders primarily from this group of people. It would be very difficult to reach our membership otherwise; we have no money, we have no means whatsoever to reach people earning a small income.

[Juszt] Will the trade union membership be able to afford a situation in which you build your party on the same membership foundation? So many organizations would like to find a base for themselves within the trade union membership.

[Kovacs] I believe that it would be in the interest of the trade union membership to see this party gain strength and to make this party into a large, national party. The greatest problem faced by trade unions today is that no

political party represents their interests in the political arena. The trade union leadership was incapable of committing itself to this goal in part because of the past, and in part because certain persons did not have adequate courage to represent such position. Therefore a political base representative of these interests must come about somehow.

[Juszt] Were you one of the leaders of the strike at the Mecsek Coal Mines in those days?

[Kovacs] I tried to provide help in the background, but no, I was not an organizer of the strike.

[Juszt] But were you part of it?

[Kovacs] Yes.

[Juszt] Were you a negotiating partner vis-a-vis the ministry leadership and the government delegation of those days?

[Kovacs] No, I was not.

[Juszt] But do you know the person who lead the government delegation at that time?

[Kovacs] Laszlo Kapolyi.

[Juszt] How do you explain then that Laszlo Kapolyi was present at the organizing meeting of the party? Did the former opponent become an ally?

[Kovacs] No, because Laszlo Kapolyi is a member of the leadership of the Social Democratic Party, to be more accurate, of the Budapest Forum, and he took part in the conference as a delegate of the forum....

[Juszt] Which forum?

[Kovacs] The Budapest Social Democratic Forum.

[Juszt] Are you now competing with the Budapest Social Democrats, or are you going to become an organization subordinate to that group?

[Kovacs] We are not competing with any social democratic trend, we are trying to establish ourselves, to build ourselves independent from these. It should be obvious, however, that we welcome former social democrats or people who profess themselves to be former social democrats, those who do not follow the right-wing trend.

[Juszt] At what point would will you regard your new formation as a success, how many of you should there be at that point?

[Kovacs] I would regard a membership of 20,000 within a year as a success.

[Juszt] Do you believe that trade unions have sufficient credibility among miners today to make them accept the new party built on trade unions?

[Kovacs] Our primary purpose in involving the trade unions in our work was to reach the people, the trade

union members; in order to do so we had to win the support of trade unions leaders. Most importantly, we will try to gain the support of upper level management in various branches [of industry] in the near future, and we obviously will hold negotiations with all trade unions.

[Juszt] Very many political organizations have come about, or are in the process of coming about which count on one and the same foundation: the workers. These organizations may accomplish only one thing as a result of these efforts: They will divide the forces.

[Kovacs] I do not believe that this will divide the forces. Anyone who has read our bylaws or has seen our program should know that we would cooperate with left-wing forces if we succeeded in gaining strength. This should mean that we might form an election coalition at that time. In simple terms: Our efforts are based on attracting those who join neither the MSZMP nor the MSZP. This way we might become a stronger party than the other two.

#### **MDF's New Media Chief Urges Mutual Tolerance**

*91CH0875B Budapest NEPSZABADSAG in Hungarian  
16 Aug 91 p 4*

[Interview with Laszlo Medgyasszay, Hungarian Democratic Forum media chief, by Attila Zsoldos; place and date not given: "Honest Relationship With the Press"]

[Text] At the MDF [Hungarian Democratic Forum] press conference on Tuesday, Laszlo Medgyasszay announced that after Denes Csengey's death, he would direct the press affairs of the largest governing party. Our correspondent went to talk with him about the circumstances of his appointment and his plans for the future.

[Zsoldos] Mr. Medgyasszay, in an interview you gave recently to one of our fellow papers you ironically referred to yourself as a "mock" politician. Why?

[Medgyasszay] The reason why I have used this expression is because it is not my job to determine how well I have lived up to the expectations of my constituents or my party. In the past I made it a point to stay completely out of public life, but Jozsef Antall is right when he says that this is something that must also be learned. Later it will be up to my constituents, my party and last but not least, my journalist friends and non-friends, to decide whether or not I have attained the standard that people call political public involvement.

[Zsoldos] Some claim that the relationship between the MDF and the press has been, to put it mildly, less the serene. Is this also how you see the situation, and if so, how do you intend to change it?

[Medgyasszay] My feeling is that the discord between the MDF and the media has been largely exaggerated. Undoubtedly there have been misunderstandings and justifiable grievances on both sides, but I could also cite

several examples of good cooperation. The observation that we have a poor relationship with the press is an exaggeration of the facts. I represent a media policy that is tolerant and respectful of the media and of honest journalists. I consider it an advantage that I am not a know quantity, and that I have never been anyone's front man. I harbor no prejudices towards anyone, and hopefully no one harbors any prejudices towards me; or at least so I hope. Within the party we naturally cannot take it upon ourselves to curtail or limit the portrayal of MDF politicians in the media. What I would like to do is to complement our existing pool of experts with other talented workers. The first thing on my agenda will be to visit the editors in chief of our leading papers and other media and personally introduce myself. From time to time, I would like to invite the journalists covering the MDF and the government for a roundtable discussion, but until my "team" is in place I can only talk about plans, even though I have more respect for action.

[Zsoldos] Could you tell us why the government feels dissatisfied with the press?

[Medgyasszay] This is a very difficult question to answer. I cannot give you an unequivocal response as the question would require more extensive analysis. Mistakes have been made on both sides; it is conceivable that in some situations the government has been too sensitive to criticism, but it would also be one-sided to be reading mostly critical articles about it day after day. Perhaps both sides need to learn to be more tolerant.

[Zsoldos] What is your opinion about the stalemate surrounding the appointment of the new radio and television vice presidents?

[Medgyasszay] It is not my business to become involved in such matters; I am not Erno Lakatos. My job in the MDF is to organize an information base and to maintain liaison with the media. I make it a point to stay clear of such disputes.

[Zsoldos] Rumor has it that on Thursday you held discussions with television management about the future of the series "Matters of Survival," a program which you had created.

[Medgyasszay] Figuratively speaking "Matters of Survival" has been on summer vacation. I talked with Janos Gombar, the program's producer, and also with Peter Heltai, but to the question whether or not the program would be renewed, and if so in what form, I did not get an answer because the program director of Channel 1, Gabor Banyai, was on leave. It would be very important to continue this "undertaking" because since the program's inception in February, it has offered people a chance to present their problems and views directly to the politicians visiting them.

### Chief Public Prosecutor on Controversial Issues

91CH0874A Budapest MAGYAR HIRLAP  
in Hungarian 10 Aug 91 p 9

[Interview with Dr. Kalman Gyorgyi, chief public prosecutor, by Balazs Stepan; place and date not given: "Political Considerations Cannot Be Used as Legal Arguments"]

[Text] On the occasion of taking office as chief public prosecutor, professor Dr. Kalman Gyorgyi spoke before parliament about establishing a Prosecutor's Office that was politically well-informed, yet able to refrain from becoming involved in politics itself; one that would operate strictly on the principle of legitimacy. Last year's story of the Prosecutor's Office is one of politically motivated interference attempts and efforts to repel outside attacks. In order to find out more about the most controversial intervention attempts, I went to talk with the chief public prosecutor, who has now reached the end of his first year in office.

[Stepan] On 17 July of last year, the chief public prosecutor reopened the Vegvari case, which had already been closed with an issue of reprimand from the Prosecutor's Office. Gabor Demszky of the SZDSZ [Alliance of Free Democrats] and Gabor Fodor of the FIDESZ [Federation of Young Democrats] have denounced the chief prosecutor's decision as politically motivated. They claim that it was on instructions from the government and in the interest of preserving the internal stability of the secret service that you have commenced new proceedings against Major Vegvari, the officer who had exposed the secrets of the secret service, and the police generals accused of negligence. Incidentally, on 12 January 1990, you—as a legal expert—had been asked to comment on the case. What prompted the Prosecutor's Office to dust off the old folders and to pull out the files of the secret service again?

[Gyorgyi] After I was appointed to the Prosecutor's Office and had a chance to familiarize myself with the documents of the Vegvari affair, I became convinced that the case of the major and the two police generals was very confusing and full of contradictions, and that it was not propitious to let the Prosecutor's Office have the final word in the matter instead of the courts. The Prosecutor's Office did reprimand Major Vegvari, but reprimand is a measure to be applied only to nonserious, easy-to-judge and legally uncomplicated cases. Well, one can say many things about the bugging scandal except that what happened was unambiguous and legally cut and dry. I will not divulge the names and coalitions of any deputies who may have attempted to intervene, but I certainly do not believe that propping up the secret service is the prosecutor's job. Back then I was surprised by these allegations, but now after a year, I can—if I may put it this way—only forgivingly smile at such political maneuvering.

[Stepan] The debate surrounding the rehashing of the secret service scandal barely subsided when the chief

public prosecutor found himself caught up in a dispute with the then Minister of Interior about an Interior Ministry decree requiring people to turn in all weapons of self-defense. In the opinion of the chief public prosecutor, the decree violated the laws governing state administrative procedures and the legislative process. Before it could have been decided one way or another, the dispute quietly ended. Was it the chief prosecutor who decided to back down?

[Gyorgyi] My opinion about the campaign to have people turn in their weapon is that the order issued by the Minister of Interior was unconstitutional. In the meantime a new law was drafted to regulate the possession of firearms, and it appeared that it would soon be taken up by the National Assembly. This would have helped to answer some of the legal that had arisen in connection with the Interior Ministry decree.

[Stepan] To this day, however, the draft law regulating the possession of firearms has not been submitted to parliament.

[Gyorgyi] Last year we had expected the draft to be completed shortly, however, the National Assembly decided to set different priorities. The drafting of economic laws became more important. It is parliament's right to determine its priorities, and there is no question that there is a burning need to pass economic laws to remedy past injustices. Parliament has been working at a commendable pace, still it has been forced to delay taking up several proposals. The draft proposal to amend the criminal code put into effect last fall still has not come before the legislature. The same is the case with the proposed amendment to the law governing criminal procedures. Barring unexpected delays, both will be taken up by the lawmakers come this fall. Those who are familiar with the position of the Prosecutor's Office regarding the role of the Constitutional Court know that we are concerned about the court performing legislative functions. There have been several cases in which we could have initiated constitutional court proceedings, but I am convinced that it is the mission of the legislature to resolve conflicts that may result from the ongoing transformation of our legal system, even if we are unable to reform it overnight. This is why I did not take the decree requiring people to turn in their firearms before the Constitutional Court. True, someone else has done it for me....

[Stepan] What kind of reform does our penal law need to undergo in the opinion of the chief public prosecutor? At the trilateral negotiations to lay the groundwork for the democratic transition, they had redefined the concept of crime against the state, rendering all potential dangers threatening the change of political systems ineffective. What is the most pressing task that the codifiers of our penal laws would need to address today?

[Gyorgyi] The agreement that came out of the trilateral negotiations, in my opinion, is a well-conceived set of

statutory provisions. The crime of sedition was eliminated, which to me was the most important accomplishment of all. The penal law reform was initiated by the former Minister of Justice Kalman Kulcsar. Closed confinement and the forced treatment of alcoholics were eliminated, and crimes against the state were recodified. There have been no other moves by parliament in the area of penal law, other than the issuing of two amnesty decrees. The most pressing need, in my opinion, is for the modernization of our existing criminal statutes designed to ensure the purity of economic and public life, and also for the drafting of computer crime laws aimed at protecting the field of computer technology. Today the only means we have at our disposal for combating computer crimes are statutes governing crimes against property and a few copyright laws, which are not enough. Also in need of reform are our currency statutes. Law enforcement is facing extreme difficulties today in trying to apply antiquated rules and to give teeth to antiquated decrees. In the long run, of course, this is intolerable. Moreover, some of the provisions of our existing criminal statutes are unconstitutional. From among the list of crimes against property, for example, contributory negligence and careless mismanagement can only be committed against public property. And why don't I take them before the Constitutional Court, and ask them to rescind the unconstitutional statutes? Because I am of the opinion that it is the job of the legislature to resolve these types of conflicts. All the prosecutor's organization can do is not to apply the unconstitutional statutes. I do not see any sense in setting off constitutional fireworks, and I feel that we must refrain from taking every conflict to the Constitutional Court. It is the legislature's task to establish the institutions of a democratic legal system. But to get back to the question of penal code reform: Fraudulent bankruptcy, in my opinion, is another crime that needs to be codified. Although the prosecutors office is not a legislative organ, we have prepared a memorandum calling for the re-regulation of crimes of corruption, and the Ministry of Justice should shortly be receiving our ideas concerning the curbing of economic crimes.

[Stepan] The role of penal law as a means of safeguarding values is well known. How do you explain then that in this period of faltering values this is the area where lawmaking has been lagging the farthest behind?

[Gyorgyi] Last year we had set out to build a new country, and it is parliament's task to set the legislative priorities. Our law makers have concluded that at this point drafting economic laws is more urgent than reforming our criminal statutes.

[Stepan] On 24 October 1990, the Constitutional Court declared it unconstitutional to sentence people to death. It appeared as if you had doubts about that decision, even though the majority of society also opposes this form of punishment.

[Gyorgyi] I have no doubts, but I do have aesthetic reservations. To my legal taste it would have been more

appropriate to have parliament abolish the death penalty. Moreover, there is by no means a complete consensus in our society concerning the abolishment of the death penalty. In Germany, for example, where the death penalty was abolished in 1949, it took until the late 1970's for the majority of society to accept that decision. The public believes in the deterrent effect of the death penalty, particularly in cases involving the murder of a police officer, attacks on elderly and defenseless people, and sexual crimes against children. I, incidentally, have accepted the argument that the death penalty was a constitutional issue, and that the Constitutional Court should rule on it. I also accept the decision itself, but do not agree with the justification behind it. For what did the Constitutional Court say? It cited Section 8 of the Constitution, which states that the essential elements of basic human rights cannot be restricted by law. This is what the court based its decision on, which I consider debatable. Most criminal penalties, in fact, do nothing more than limit basic human rights. All we need to do is think of imprisonment. So I do not consider this line of reasoning to be very convincing. In my opinion Paragraph 2, Section 57 of the Constitution would have been more appropriate to cite as the basis for declaring the death penalty to be unconstitutional. That is the section that forbids the meting out of cruel and inhumane punishments. This, however, is not a difference in principles, but a difference in professional opinions.

[Stepan] The heated parliamentary debate that ensued after the cab drivers' blockade did force the chief public prosecutor to take a politically tinted position. Standing before parliament you declared that you did not want to prosecute the cab drivers who had violated several provisions of the penal code. Why was there no action taken? It appeared that by taking the position you took, you tried to lend legitimacy to the cab drivers' blockade.

[Gyorgyi] I have made it clear several times that the blockade was illegal in many respects. Still, on my own responsibility, I chose not to prosecute. In the first place, there were conflicting rumors circulating during the blockade, which were difficult to sort out. People were making contradictory statements. The government set down to negotiate with representatives of the cab drivers. This, of course, does not change the fact that a criminal act had been committed. It was clear, however, that it would be impossible to determine who all should be held responsible. It would have been difficult to determine, let alone prove, how many cab drivers actually had participated in the blockade. Moreover, anyone who had rendered any form of assistance to the cab drivers, whether it be taking tea or food to the barricades, or only by way of verbal encouragement, was technically an accessory to the crime. A fact-finding campaign and investigation would have set off a wave of regular informant activities. There is no question that laws were broken, still I chose not to prosecute. I believe that if I had gone the other way, my decision might have taken me into areas that do not fall within my purview. At stake was our ability to preserve a fragile and unstable



state of social peace. At the same time I also realize that although legal security demanded it, the general amnesty was not without inherent dangers. It was only a few months ago that the first general pardon had been granted, and we know that you cannot issue amnesties lightly. For the repeated granting of general amnesties will eventually cast doubt on the veracity of the law. It exempts people from accepting responsibility for their actions, and undermines the effectiveness of our legal statutes. Criminal justice is an extremely sensitive field of law, as it is very susceptible to frequent changes. Security and predictability are extremely important components of reliability, and these are the very characteristics that are weakened whenever general amnesties are declared. In spite of all this, another general amnesty has been granted, and it has even passed the scrutiny of the Constitutional Court.

[Stepan] Since the inception of the Justicia Plan there have been several attempts directed at reducing the number of outdated criminal statutes and broadening accountability. Many consider the consequences of accepting moral responsibility for one's action to be inadequate, and would like to see the scope of criminal accountability broadened. Most recently, the parliamentary deputy Zsolt Zetenyi submitted a draft amendment to the penal code addressing this very issue. How do you feel about these kinds of legislative efforts?

[Gyorgyi] The deputy's proposal has obviously entered the legislative process. It will be taken up by the Constitutional Committee and submitted to parliament. At this point I have no comment to make about the proposal. On the obsolescence issue, I have also received an interpellation from Deputy Lukacs Szabo. I have told parliament that according to our existing statutes the crimes of 1956 have become prescribed. The deputy understood this, but did not accept my response, and at his recommendation neither did parliament. So the interpellation was sent to the Constitutional Committee. There we had a lengthy debate, in the course of which I suggested that the committee prepare a study that precisely outlines the relevant legal provisions currently in force so that they would have more than just political sentiments to guide them, and at the same time could clearly understand the issues involved, and the limits and limitations of criminal accountability. At the request of the committee I prepared an expert appraisal and submitted it to the Constitutional Committee. What they are going to do with it, I do not know.

[Stepan] Three of your interpellation responses have been rejected by parliament. One way to interpret this would be to say that instead of promoting political interests, the Prosecutor's Office is working to assert the principle of legality. At the same time, the chief public prosecutor is responsible to parliament, or more precisely, to the parliamentary majority.

[Gyorgyi] Holding the chief public prosecutor directly accountable to parliament is not an ideal constitutional solution. As a jurist I believe that the prosecutor's

organization should operate as an entity subordinate to the government. One of the basic issues still awaiting to be addressed as part of the constitutional codification process that began at the end of the 1980's, is where the Prosecutor's Office should really belong. Presently the chief prosecutor is responsible to parliament, which is not a political type of a responsibility. My legal status under the constitution demands that I uphold the law, irrespective of whether or not I will win the affections of the majority of the deputies in the process. How the deputies will vote must not be my concern, as I am bound solely by the letter and spirit of the law. Parliament's rejection of a few of my interpellation responses will not change my legal thinking. I can, however, pledge to respond to all queries and interpellations with honesty and to the best of my professional abilities. Political considerations do not constitute a legal category, and they should especially not be used to support legal interpretations.

#### **MSZP Politician Protests Against Loss of Job**

*91CH0875C Budapest NEPSZABADSAG in Hungarian  
16 Aug 91 p 5*

[Article by Tibor J. Keri: "The Printing House's Reply; Fillo Laid Off on Grounds of Expedience"]

[Text] In Thursday's issue we reported on the Socialist Party's press conference, where they also discussed the layoff of parliamentary deputy Pal Fillo from Athenaeum Press.

The report drew a reaction from Gabor Incze, Athenaeum's deputy general manager. This—among other things—is what he wrote in a telefax to our editorial office: "The management of Athenaeum Press categorically rejects your article's insinuation that there was a causal relationship between the termination of Pal Fillo's employment and his position as the MSZP's [Hungarian Socialist Party] parliamentary deputy; his dismissal had been prompted by considerations pertaining to economic efficiency, expediency, and cost cutting. As other printing houses, Athenaeum Press has also felt the impact of the economic situation, hence it is incumbent on its management to do whatever it must to help preserve the enterprise and thereby also the jobs of its remaining employees."

We have also contacted the deputy in question about the matter. He was certain, Pal Fillo has told our correspondent, that they would not have dared to do this to a government party deputy. Moreover, he said, director general Losonczy had assured everyone that instead of sending people away he would choose the more difficult route of finding new accounts for the printing house and additional work for its employees.



**Law To Compensate Political Persecution Victims***91CH0875D Budapest MAGYAR HIRLAP  
in Hungarian 24 Aug 91 p 5*

[Article by Arpad Hudra: "No Compensation for Rajk or Palfy"]

[Text] Efforts are currently under way, with the help of various affected social organizations—including the Recsk [Stalinist forced labor camp] Alliance, TIB [Committee for Historical Justice], POFOSZ [National Alliance of Political Prisoners], MEASZ [Association of Hungarian Resisters and Anti-Fascists], and the For the Victims of the Holocaust—to finalize the draft law designed to compensate people who at any time between 1939-89, were imprisoned for political reasons. The payment of compensation to individuals sent to prison between 1945-56 and 1956-63 has already been approved. But, as Tibor Zimanyi, general secretary of the Recsk Alliance, has told us, even for these periods certain corrections would have to be made. The kulak trials had been initiated on such grounds as cutting down trees, sabotage, etc., hence so far they could not be qualified as political trials. The draft law now under preparation will apply uniform standards to a wide variety of criminal punishments. It will also encompass internments, forced labor, and being hauled off to the Soviet Union. The majority of the social organizations also agree that the victims of the deportations should—because of the gravity of the wrongs done to them—be entitled to compensation. Grievances about past cases of police surveillance and losses of jobs, on the other hand, are not considered serious enough to qualify. Distinctions have been drawn between forced labor performed in theaters of war and in the first half of the 1950's. Only the former is considered serious. Time spent in the ghetto has, in the end, been removed from within the scope of the draft law. What has played a role here, obviously, is the fact that this time has already been calculated into the victims' pension payments. One must still wonder on what basis time spent in the ghettos can be considered less serious, than let us say the deportations.

Eligibility for compensation will not be determined on the basis of social considerations. As originally proposed, each month of allowable prison time will be counted as 10,000 forints in lost wages. This would be paid back to the victims in the form of an annuity by taking each recipient's age into account. According to some estimates, about 200,000 people would be affected by this compensation proposal.

Cases involving individuals victimized not because of any role they played in the struggle for a democratic and independent Hungary, but because they had been on the wrong side of intraparty political power struggles do not qualify to be categorized as contraventions of the law. Eligibility for compensation will be denied to anyone who had participated in strengthening and operating the repressive apparatus which later would also claim him as

a victim, or who himself had been responsible for the commission of serious crimes. This means—according to Tibor Zimanyi—that the relatives of neither Laszlo Rajk, nor Gyorgy Palfy [communist, Rakosi government tried and executed him in connection with Rajk's show trial (1949)], nor Laszlo Solyom [also communist, victim of show trials under Rakosi (1950)] qualify for compensation.

Relatives of victims sentenced to death and executed (surviving spouse, child, parent) will receive a lump-sum compensation of 1 million forints. Also included in this category are cases in which the implementing authorities played a role in causing the death of victims who had been sentenced to prison.

One catch to all of this preparatory work on the draft law is that for now it is limited in scope to the Ministry of Justice. Only after the final draft has been completed will the Ministry of Finance be able to comment on its financial feasibility.

**New Defense Plan: Smaller Army, Modernization***91CH0869A Budapest HETI VILAGGAZDASAG  
in Hungarian 24 Aug 91 pp 83-84*

[Article by Gergely Fahidi: "Struggle Over Divisions: A New Defense Concept"]

[Text] At its last week's meeting, the cabinet accepted the new defense concept, the substance of which is that the country is to have an army that is smaller but more modern than what exists today. There are no problems when it comes to cutting size; modernization, on the other hand, requires quite a bit of money.

"In two or three years Hungary will have an army that will be able to repel aggression from any direction," said Minister of Defense Lajos Fur last July, receiving great ovation at a meeting during the Lakitelek village-days, so important for the Hungarian Democratic Forum's [MDF] "popular image." However, not one among the military experts contacted by us interpreted his self-confident statement to mean that in the foreseeable future Hungary could create an army capable of achieving a classical military victory over any aggressor.

According to the Commander of the Army, Major General Kalman Lorincz, the large massive armies are disappearing throughout Europe, to be replaced by smaller, more flexible, and mobile "conflict-handling" forces, and this is the direction in which the Hungarian armed forces should go. Gabor Moricz, deputy chief of a main department at the Ministry of Defense, concurs in saying that the only realistic task of Hungarian defense forces is to make any potential aggressor aware that its losses will be greater than the gains it hopes to obtain from an aggression against Hungary.

The new principles of national defense, accepted as parts of the new national security concept at last week's meeting of the cabinet, by and large contained the above

view. The cabinet resolution approved the reduction in the defense force's size; at the same time it did not schedule significant technical development in the Army before 1994, and does not foresee serious opportunities for such development until the second half of the decade.

By the end of this year, the size of the defense force will be cut from the status preceding the Vienna agreement on military force reduction (which is, in fact, the 1989-90 status) by 20,000, and by another 10,000 in the coming year. By 1994 the size of the force is expected to be under 90,000, including the 22,000-23,000 civilian employees. Naturally, the cut in size will also bring about a reduction in costs, so there are no economic obstacles in implementing these goals. The situation is quite different when it comes to technology. After all, according to (military) experts, the instruments of our military are so obsolete that by the turn of the millennium they would have to be completely replaced. In fact, when it comes the most expensive service branch, the air force, it is going to be "amortized" by 1997: That is when the planes will have accumulated so many flight hours that after that they will not only be outdated, but it will be forbidden to use them.

Austria's military response to the crisis in Yugoslavia is said to have been the purchase of the most technically up-to-date equipment for its air defense system. It is not entirely certain whether Hungary would be officially allowed to purchase genuinely "high tech" military equipment; but it is certain that for the moment there is no money available for such purposes. As for their possibility in principle, rumors have been attributed to the UPI to the effect that the United States would be willing to sell advanced military items to Czechoslovakia, Poland, and Hungary. Hungary has never received an official notification of this; on the contrary, U.S. officials denied this report.

As for investments this year, which in fact amounts to the purchase of new items and the expansion of the military hospital, these have to be satisfied out of about five billion forints, about 9 percent of the proposed 54 billion forint defense budget. According to the prevailing rules of order, the National Assembly approves a set amount for defense purposes, of which only such amounts can be used for investment purposes that are not needed to pay wages and settle bills. According to Antal Annus, state secretary at the Ministry of Defense, a modern defense force should have a 60 to 40 proportion between maintenance and development. Looking at it from a different point of view, Gabor Moricz estimates that in order to renew the entire equipment every 15-20 years, at least 10 billion forints should be sent annually. This year, however, not one filler was allocated for the purchase of really new items; the one billion forint spent on "development" in fact only covered the purchasing of spare parts and the trade-in of smaller vehicles. To put things in perspective, the market price of a single modern, although not the most advanced, airplane is

around 20 million dollars; that is to say, the entire defense budget for this year could buy at most three F-16's.

The reduction in force in itself will represent significant savings, so the Ministry of Defense does not entertain hopes for an increase in the real value of its budget. At the same time, the Ministry of Finances envisions as realistic only the maintenance of the nominal level of present expenditures, which in real value amounts to a reduction of approximately 30 percent. In a certain sense, this can be considered a generous offer, in view of the fact that in certain spheres they are getting ready to introduce nominal cuts in governmental support. A significant portion of military expenditures, about seven billion forints, should have been covered by the ministry from its own earnings (primarily from the sale of its real estate properties), but the government only removed the alienation ban from military properties as of 31 July of this year.

In the long run, the conflict between the two ministries could be resolved by the National Assembly itself if, instead of making "package" decisions concerning defense expenditures, it would follow the example of Western countries and separately decide the fate of each proposed development.

### **New Model High-Powered Sniper Rifle Touted**

*91CH0912A Budapest REFORM in Hungarian  
22 Aug 91 pp 4, 12*

[Interview with Lieutenant Colonel Ferenc Foldi, engineer and developer of the Gepard M1 rifle, by Gabor Matuz; place and date not given: "The Cheetah in Troop Exercises?"—REFORM notes in italics]

[Text] An ingenious Hungarian hand armament; certain hit up to 1,200 meters; pierces through armored vehicle; up to a certain height it downs a helicopter; "Oh, it only fires a single shot? Let it go to our Honved soldiers!"

Hostage drama. The crazed man holds captive his mother and two children in a fourth floor apartment of a housing development. The housing block is surrounded by police, men from the special action unit are ready to move in, sharp-shooters are perched on rooftops protected by chimneys. The three captives sit in the living room facing the window, the terrorist lounges comfortably below the window with his back against the wall. He holds a long-stemmed mirror in his left hand above his head, to see the developments outside. Unexpectedly a shot is fired—virtually no one expected to hear that shot ring out—and the man lies dead on the floor.

Only one weapon in the world is capable of firing a deadly shot in the above described situation. This weapon is the Gepard M1 high-impact sharp-shooting rifle, an invention by Engineer Lieutenant Colonel Ferenc Foldi, a lecturer at the Hungarian Honved Forces Military Technology Institute.

[Matuz] How did this weapon come about?

[Foldi] The Americans developed a heavy gun, but somehow it did not become popular. The weapon did not satisfy the expectations of outside experts. They were dissatisfied with its target accuracy and also found weaknesses from the safety standpoint. But in Hungary they were frightened, what was going to happen to us if the Americans produced such a rifle.

*Motivated by engineers' pride, Ferenc Foldi began to prepare a design entirely on his own, without authorization. Subsequently the deputy commander of the institute learned about the side job, but contrary to the good old Hungarian custom, he did not issue a reprimand, but expressed full support of the work and encouraged continuation.*

[Foldi] I took with me on my vacation in Harkany the spiral-bound notebook I used to draw sketches in. It suddenly dawned on me that there was an extremely simple way to make a rifle by using only one-tenth of the component parts [used by the Americans]. I returned home, stood next to the drawing board, and although this might sound incredible, the design appeared before my eyes—I was able to see the finished rifle. Plans were prepared during the two week period following my vision.

*Janos Egerszegi, one of the best Hungarian weapon builders, and Engineer Jozsef Szepe helped the lieutenant colonel to construct the Gepard.*

[Matuz] What is the difference between the American and the Hungarian rifles?

[Foldi] The weapon we developed is very different in many respects. I have good reason to believe that it is better than the American rifle. We definitely came out ahead of them regarding the two most important considerations. These are: accuracy and the protection of the rifleman. Gepard is capable of hitting a point from a distance of 100 meters, and a person standing erect within 1,200 meters can definitely be struck. The weapon itself is so simple that it performs in an outstanding manner both in a snow storm or a sand storm, and it does not break down. The fact that we were able to produce this with the available primitive manufacturing background is virtually incredible.

[Matuz] There must be great joy at the Hungarian Honved Force, I would think.

[Foldi] But that ugly, red, white, and green heart of mine would like to see the Gepard first introduced at the Hungarian Honved Forces. But the rifle is opposed by some because it fires only a single shot at a time. My response to this is that a rifleman is no sharp-shooter if he has to fire two shots from the same place at the same target. The Gepard is a sharp-shooting rifle.

*Then he has this bitter note to add:*

[Foldi] In response to all the scoffing I said that I would drill eight holes in the barrel so that they might play the flute while shooting.

*We were informed that upon completion of the ongoing so-called combat testing, the Defense Ministry has definite plans to introduce the rifle as part of its weapons system.*

*In conclusion he had this to say:*

[Foldi] I am not sure about the future of hand weapons development and manufacturing in Hungary. But if this kind of activity ceases, it will be remembered by posterity as a spectacular and successful suicide attempt on part of the Hungarian Honved Forces.

*We believe that weapons development will continue to have a future, but jointly and streamlined with neighboring states.*

*Lieutenant Colonel Foldi characterized Sergeant Gyula Danko as a shooting genius. He is one of the few who were authorized to test the Gepard over a long period of time.*

[Danko] I demonstrated the weapon many times. It is possible to pierce through a 25-centimeters-thick reinforced concrete wall from 600 meters, and from a distance of 100 meters it would pierce through a 35-centimeter wall of this kind. From a distance of 800 meters it will pierce through armored vehicles, and it will down a helicopter from a height of 1,800 meters.

*After all this, the crime mystery story discussed at the beginning should be understood to mean that the sharp-shooter killed the terrorist by piercing through the wall.*

[Box, p 12]

### The Gepard

Only a very few people are familiar with the particulars of the new Hungarian weapon. REFORM has obtained these:

Its real name: GM-1.

Its nickname: the Gepard.

Caliber: 12.7 millimeters.

Length (when transported): 1,200 millimeters.

Weight: 16 kilograms.

Barrel length: 1,100 millimeters.

Initial speed of bullet: 830 meters per second.

Viewfinder optics: magnifies by 12.

Target accuracy:

100 meters for point shooting.

600 meters for head targets.

1,200 meters at person standing erect.

2,000 meters at motor vehicle.

Firing speed: six shots per minute.

This is the authentic data.

### **Beijing Permits Large Chinese Colony in Budapest**

*91CH0875A Budapest NEPSZABADSAG in Hungarian  
16 Aug 91 p 1*

[Article by Zoltan Laczik: "Our Beijing Correspondent Reports: The Chinese Are Coming"]

[Text] Beijing, Aug—From Beijing it appears that soon we are going to have Chinatowns, Chinese districts, in Hungary. However—contrary to earlier rumors—they will be inhabited not by Chinese from Hong Kong, but by people from the People's Republic of China. According to sources here, the number of Chinese currently living in Hungary is between 40,000-100,000, in other words, they constitute the largest ethnic group settled in Hungary from abroad.

Beijing, Tonchomin Hsiang Street police department, passport section—Of the two entrances, the one on the right is where people with a European country as their destination line up. The queue is about 40-50 meters long. According to our temporary interpreter, at least two-thirds of those waiting were preparing to go to Hungary.

Posted on a pole across from the police station is a makeshift flyer. We browse through the text, which reads: "Now enrolling students in an accelerated Hungarian language course. Lessons are offered on Mondays, Tuesdays, Thursdays, Saturdays, and Sundays, between 6:30-8:30 PM. The length of the course is one month. Textbooks and cassettes will be provided by the organizers. Place of registration: Beijing College of Foreign Languages, third floor (all day). Access by bus (numbers 302 and 332); get off at Veikun-cun station and follow the narrow road to the college. Telephone inquiries at 041-0531, between 2-6 PM."

Hungary has become popular in China. We have experienced this time and again during our travels when people found out that we were Hungarians. "I have heard that many of us are traveling to your country," comments the doctor at the clinic, taking a less official approach to filling out the rather detailed medical examination questionnaire. "My brother has been living in Hungary since last year, and next year I hope to follow suit," says the private mechanic with a starry look in his eyes, and proceeding to give us a special deal on the car wash. "I am thinking about opening a Chinese restaurant in Budapest," we are told in private between two beers by a restaurant owner. "Singiali Hao, i.e., Hungary, is O.K.," says the furniture store clerk with a confidential

wink before running off to find a tricyclist to help us with our transportation problem.

Since January 1989, there has been no visa requirement between our country and China. We are one of only a handful of European countries to which citizens of the People's Republic of China can travel without any restrictions. Besides us, only the Soviet, Romanian and Albanian border guards do not require them to show a visa. These latter countries, however, are less attractive to them, although rumor has it that a few Chinese vegetable and fruit growers have also been spotted around Moscow and Kiev. (Around Lake Bajkal there have been seasonal settlements of Chinese for some time.) It is virtually impossible for them to get visas to travel to Western Europe for the purpose of tourism.

Our newly found popularity may be traced back to two factors. Following the events of Tiananmen Square in June 1989, many began viewing Hungary as a jumping board, a transit stop, in their quest to resettle in the West, and they continue to do so. It is pretty much common knowledge here that once somebody succeeds in obtaining a Hungarian passport, he has got the whole of Europe open to him. Recently, however, our country's stock has risen even more, as it is now viewed no longer simply a transit point, but as a target country. Many end up not going any further, choosing instead to search for their dreams in our country.

While it may be true—as we have heard—that the Chinese authorities do not look favorably on people wanting to emigrate, they have not placed any obstacles—other than the complicated bureaucracy one can otherwise encounter in any government office—in the way of people wanting to go to Hungary. Although theoretically those wishing to travel to our country would need to have a letter of invitation, indications are that many without such a letter have been able to circumvent these barriers. There are, of course, also certain tricks that people resort to. For example, some will apply for passports to East European countries that require a visa, and once there, they just travel on to Hungary without any problems. Even some forged documents have begun to surface. (It is clear from the above, I assume, that citizens of the People's Republic of China need to name the target country of their travel when applying for a passport, which they must turn in to the police upon their return home.)

Many of the travelers are from Beijing, but most are from the more prosperous southern provinces. While the majority of the northerners opt for cheaper rail transportation, the southerners tend to prefer travelling by plane. The rumor in the Chinese capital is that many of those leaving start businesses in Hungary, using various ways of getting the necessary starting capital out of the country. But there is also plenty of talk about people involved in shady dealings and illegal transactions. From some of the accounts it appears that once person has

established himself he usually also finds a way to bring his relatives to Hungary under the pretext, for example, of a business expansion.

In Beijing we were able to get a more precise figure regarding the number of Chinese residing in Hungary. According to estimates here, their number is somewhere between 40,000-100,000. How many more could be staying in our country illegally, with expired papers? The only thing we know is that according to the agreement on waiving the visa requirement, Chinese citizens can spend up to 30 days in Hungary.

Although indications are that the number of people rushing to Hungary has stopped growing, it is safe to say that the influx has at least "stabilized" at a level that may now be called normal. If this is true, it still means that each year we can expect tens of thousands of Chinese travelers arriving in Hungary.

How many of them will end up settling in Hungary? One thing is for sure: The advertisers of the accelerated Hungarian language course cannot complain that they lack business sense.

#### **Problems Surround Book Prices, History Textbooks**

*91CH0875F Budapest NEPSZABADSAG in Hungarian  
22 Aug 91 p 13*

[Article by M.K.: "No Bidders for Writing History Books"]

[Text] There is nothing surprising about rising textbook prices, economists claim. If everything is becoming more expensive, why should textbooks be exceptions. For example, the same paper which last year cost 19.80 forints, today is selling for 54.30 forints. For the past 30 years, however, economic considerations were never a factor in determining textbook prices, hence for 30 years, students were able to get their textbooks at unchanged prices. Moreover, in some places, including Budapest, they were being issued free of charge to elementary school students.

How much will textbooks cost now? The Ministries of Finance and Education are engaged in a tug-of-war over

nearly 1 billion forints. This is how much the treasury would have to pay out in subsidies in order to maintain the old textbook prices. So price increases are a virtual certainty; this was announced at the end of last year already. Until now only one-fourth of the production costs were borne by the parents; in the future they may have to pay as much as a half.

For now no one can provide us with information about actual prices, not even Textbook Publishers president Jozsef Vilhelm.

"This is causing us plenty of problems. Most of the 30 million textbooks are already in our warehouses, but we cannot print prices on them because first we will need to reinventory the entire stock. Today it is still impossible to predict just how much confusion it will cause for the school distribution system to have teachers work from hastily compiled price lists. This despite the fact that this year we have a better supply of textbooks than ever before. We even have a deal locked up with the distributors. In Budapest the State Book Distributing Enterprise, and in the provinces the Educated People Book Distributors will be disseminating the books to the schools. We were hoping that there would be no hitches at all this time."

The political system change has given textbook editors plenty of work. Many of the textbooks have had to be—at least partially—rewritten. Among the materials revised were geography books, environmental science textbooks, and even song books which have had to be purged of rallying songs and direct political references.

First-grade teachers have a choice of five different textbooks to select from. Even Mrs. Tolnai's long-missed alphabet reader has been made available.

Eighth graders will be getting a completely rewritten history book. The invitation of bids to write new textbooks for the junior and senior grades of high school, however, has failed to attract enough applicants. Despite the 300,000 forint award, not a single bid has been received for the senior-level textbook. The course-writer team that was subsequently contracted to do the work will not be finished until October the earliest, so for the first semester the students will have to make the best of the textbook written a year ago.

### Walesa's Role During, After Elections Viewed

92EP0003A Warsaw *TYGODNIK SOLIDARNOSC*  
in Polish No 34, 23 Aug 91 pp 6-7

[Article by Piotr Semka: "Does There Exist a Lech Walesa Camp? It Does Not Pay for Politicians To Be Too Close to Walesa, but It Does Not Pay Them Either To Be Outraged by Him"]

[Text] "Lech Walesa's program is what Lech Walesa will say tomorrow," pessimists say. "Things are bad with Walesa, but without Walesa they would be still worse," optimists argue.

In the meantime last fall's broad presidential coalition has disintegrated in face of the coming elections to the Sejm. First, Solidarity decided to put forward its own candidates. Then Jan Olszewski's idea of creating a broad Solidarity-independence bloc collapsed. As a result, Center Accord and Citizens' Committees will go their separate ways, as will the Christian-National Union and the "Christian" committees. Walesa himself has not tried at all so far to impose his authority in order to mend the disintegrating ties linking the camp that had supported him last fall. The last time Walesa discussed the presidential coalition was at a rally in front of St. Brigid's Church in Gdansk. Now that the dispute about the electoral law [for the coming parliamentary elections] is over, not a sound of encouragement is heard from the Belveder [presidential palace]. Political groupings are watching the Belveder and wondering what is the Gdansk Sphinx planning.

### A Cabinet of Circus Mirrors

Political speculations concerning Lech Walesa always are like an equation with an unknown. From the beginning of his career he has been a factor that simply could not be overlooked in projects of political configurations. Characteristically, his strength lies in his unpredictability. No one ever could claim owning him. In order to stay at the top after August 1980, he had to endure condescending pats on the shoulder from his KOR [Committee for the Defense of Workers] teachers. During the martial law era he gained the standing of the unquestioned leader of the opposition, which led him to the "round-table." Finally he again became the center of attention in 1990, and topped it by being elected to the Presidency. "I only know how to win," he commented. This had its price; it required a feeling for when the time was right to replace allies, knowledge of whom to support and whom to relegate to a secondary plane. Walesa even developed a definition of his own for this, "the wisdom of the stage," a wisdom that was experienced by Gwiazda, Geremek, and Micewski on their own skin. Such politics necessitated solitude and perpetual vigilance in case today's ally would become tomorrow's rival. Walesa needs political figures around him, but often at the same time fears a potential rival. It does not pay to be too close to Lech Walesa, but it does not pay to be outraged by him either.

### Lech! Lead Us!

Last July's findings of a poll by the CBOS [Public Opinion Survey Center] showed that 33 percent of the respondents would support a hypothetical party whose main purpose would be to support the president's policy (35 percent would refuse support and 20 percent would remain neutral). It is interesting that that 33 percent is higher than the percentage of support (expressed by the respondents in the same poll) for the parties identified with Walesa (Center Accord, 8 percent; Liberal-Democratic Congress, 9 percent). This shows that Walesa enjoys much greater public support than the political forces supporting him.

The president's political experience so far has accustomed him to being above the parties. In the last 10 years it has been Walesa's strength that the logic of events placed him in the position of the Nation's leader. No one has demanded of the leader of Solidarity, the movement associating a majority of Poles and linking the then nascent Liberals and the present-day Social Democrats of Bugaj, that he declare his partisan support for any one party. The real enemy, communism, united them all. After the collapse of communism Walesa knew that leading just one of the trade unions—even if the most esteemed one—was a dead-end alley. He therefore willingly swapped the nonpartisanship of the head of Solidarity for the paternalism of the duties of the president of the Republic of Poland. He was morally authorized to compete for that office by his—so far—astute feel for the Polish *raison d'état*.

### One Zigzag After Another

In beginning his term of office the president decided against forming a presidential party. Thus there arose a distinctive triangle with one side formed by the government headed by the Liberal Bielecki and another by the Presidential Chancellery directed by the centrist Kaczynski.

Then also the zigzagging began. Its foretaste was the famous conundrum for the Christmas season: "Either the old government and new elections in the spring or a new cabinet and elections in the fall." Subsequently, "the president of all the Poles" supported the nomination of Ziolkowska (ex-PZPR [Polish United Workers Party] member) to the post of head of the NIK [Supreme Chamber of Control].

When the dispute about the electoral law [for the coming parliamentary elections] began the camp that had supported Walesa's election to the Presidency last fall again rallied round him, but this time the, since then, strengthened Liberals are displaying a much more ambivalent stance.

### I Do Not Want To and Do Not Have To

Will thus the zigzagging between the position of "the president of all the Poles" and the role of the leader of a broad (but ill-defined) camp come to an end? Walesa is

exploring what position to take. In this respect the comparable situation in France is much clearer. Over there, the Socialist President Mitterand is supporting a Socialist prime minister. Sometimes he even supports cabinet changes (Edith Cresson in place of Rocard), but he does it in order to, e.g., improve the electoral chances of his party. As things stand over there no one is complaining because a majority of the positions in the presidential office or chancellery is staffed with politicians from the same party. On the Seine the idea of depoliticizing the Presidency would be received with astonishment. No one either is claiming over there that, inasmuch as he is a Socialist, Mitterand is the president of only some of the French. In contrast, here on the Vistula partisanship is interpreted as some horrible and highly menacing curse, forgetting that a stable and definite political base of support promotes a stable Presidency.

Walesa does not know how to be closely partisan. He argues that his five-year term of office is going to be a period of economic and political transformations, a period of the emergence of a clearer outline of a party system. But still he needs a point of ideological reference. In the course of his nearly 9 months in office so far the president has been determinedly neutral ideologically. His sole declaration in this respect was the recent statement by his press spokesman Drzycimski that the president's background is rooted in the "social teachings of the Catholic Church, the Christian orientation, with the reservation, however, that "Christian" should not be identified with the Christian Democrats.

The president must increasingly often consider that his role as the people's tribune will be increasingly difficult. He will have to take a stand on the further direction of economic changes and its social costs, define himself. A strong presidential party may promote the stabilization of the political system. And this does not at all have to imply preparations for an autocratic presidential rule. By thus uniting political groupings and parties by his authority Walesa would counteract the present fragmentation of the political scene. The inability of the groupings which had supported Walesa in the presidential elections to form a new electoral coalition [for the coming parliamentary elections] speaks for itself: Here no one will replace the most interested party, the president himself.

#### The Last One To Exit Will Turn Off the Lights

In a recent poll of WPROST, in reply to the question, "Who can influence the situation in Poland?" Zdzislaw Najder named one name: Secretary of State Mieczyslaw Wachowski. I will spare the less informed readers having to thumb through the political "Who is Who?" Wachowski is Walesa's personal secretary, his former chauffeur, and his political sympathies are not well known. Najder's comment confirms that neither the Presidential Chancellery under Kaczynski as chief of staff nor, the more so, Prime Minister Bielecki influences Walesa. He is his own helmsman, navigator, and ship.

Sure, sometimes he avails himself of the chancellery's assistance (as, e.g., in the dispute about the electoral law). But the image, "Good tsar, bad boyars," with sullen Kaczynski whispering conspiratorially into the president's ear, seems fallacious.

Jaroslaw Kaczynski is finding himself in a strange position: He is believed to be a highly influential politician, but at the same time he is unable to accomplish many of his declared goals (for example, broadening representation in the government). When Walesa announced that he is going to depoliticize the chancellery, this merely underlined the schizophrenic nature of the situation.

It appears that this split is basically due to Walesa's sensitivity about retaining his independence. On the one hand, the president needs a politically efficient chancellery, but on the other he instinctively fears being tamed by it instead of taming it. Ever since he took office, his relations with his chancellery have undergone various stages. Kaczynski himself commented on this as follows: "If the president is criticized, I am associated with him. If he is praised, I am not associated with him."

#### The Hour of the Liberals

The Liberals skillfully exploited the opportunity provided when the prime ministership was bestowed on Bielecki. The new prime minister emancipated himself with surprising rapidity from the tutelage of Walesa. This window of opportunity for the Liberals resulted in turning their party into the third largest (after Center Accord and the Democratic Union) political entity of the post-Solidarity camp. The Liberal-Democratic Congress [KLD] is wasting no time and building up its strength. The Liberals, utilizing Walesa as their political ram to break open the gates, have become astute disciples of their teacher. When the Sejm voted on the presidential amendments, they voted against them. Similarly, the president's proposal for the adoption of governmental decrees met with their maximally chilly—within the limits of the political savoir-faire—response. Despite all the grudges they entertain, however, the Liberals are not inclined to break openly with Walesa. It is simply that they have understood that keeping a certain distance from the Belveder can only be healthy for them. At present the Liberals seem to see in Walesa a point of support for forcing through the government's economic policy. Thus while the KLD accepts the pro-Walesa option, it no longer desires to enter into any alliances with Center Accord or the citizens' committees. To the extent to which the KLD has adroitly exploited Walesa's victory, Center Accord has paid a heavy price for having Kaczynski head the Belveder chancellery.

Despite his hesitation, Jaroslaw Kaczynski has not left the chancellery in order to rebuild the strength of his party. He should be given credit for having perceived the dangers inherent in the country's unfolding situation. He thus decided to directly support Walesa as a counterweight to the forces desirous of extending the "round-table" contract. The price paid for this by Center Accord

was to forfeit its dynamism. Kaczynski himself admitted that, following its March congress, Center Accord has fallen prey to the sleeping sickness. It has failed to consolidate round itself the nebula of the little Christian-democratic parties and to develop a new and fresh political slogan. What is worse, it is on the verge of becoming politically isolated. That is, Center Accord's relations with ideologically similar groupings, from the Christian-National Union through NSZZ Solidarity to the Liberals and recently formed Republicans, have become chilly. For a long time Kaczynski was feared as an overly dominating partner—at a certain moment it was recognized that "Kaczor" is hardly indispensable.

Worse still, Walesa, in continuing to show respect for his willful prime minister, Bielecki, distanced himself from the head of his chancellery and chief of staff, Kaczynski. Is a new curse, "May you head the chancellery," in the offing?

The other Great Disenchanted is Solidarity. It, too, had ardently supported its former leader for the Presidency. But once Walesa won the Presidency, he began to treat "Miss S" like a wallflower. It is thus not surprising that it has concluded that it must itself attend to its own interests. It is campaigning for parliamentary elections without joining any presidential coalition.

#### Shall Tyminski Reconcile Them All?

Are there no more surprises to be pulled by the president before 27 October [election date]? No, that would not be his style. Consider what circumstances might yet prompt an agreement under the auspices of the Belveder. The most obvious possibility is that the polls might reveal a sudden growth in the public's support of the candidates associated with Tyminski. Walesa has stressed that he shall remain nonpartisan *unless the reform process is threatened*. The Liberals are publicly warning about the expected decline in the public's support of post-Solidarity groupings this fall. In view of Walesa's known ability to improvise (he thrives best in crisis situations), it is not precluded that he may appeal [for unity], for some "roundtable" associating the spectrum of politicians from Bielecki to Slisz [peasant leader] or even, if the results of the elections seem greatly imperiled, including Kuron. But time is running out and the elections are approaching, so that room for maneuver is shrinking. After the elections the now quarreling parties will have to form a new government. Assuming a greater postelection fragmentation of the Sejm, here too the president may play a moderating role.

There is one other aspect. The next Sejm will face the task of voting a new constitution. It is certain to aim at markedly restricting the presidential powers. Even now Walesa must consider the alignment of forces in the new postelection chamber of deputies; doing nothing about creating his own electoral camp may ricochet and hurt his chances. After all, the outline of the new parliament is determined already in the stage of electoral coalitions.

If Walesa desires to be "the Father of the Nation," leading the Republic from totalitarianism to democracy, he must have a solid political base of his own. Only the strong are genuinely impartial.

#### Labor Solidarity on Alternative Reform Program

91EP0718A Warsaw TRYBUNA in Polish 7-8 Sep 91  
p 2

[Interview with Senator Karol Modzelewski, organizer of Labor Solidarity, by Aleksander Frydrychowicz conducted in August for AL-PRESS; place not given: "Common Sense Laid at the Altar of Doctrine"]

[Text] [Frydrychowicz] Labor Solidarity, which you represent, remains in the opposition to the policy of the present government, which also originates from Solidarity. How is this parting of the roads to be explained?

[Modzelewski] The principal reason is the socioeconomic policy chosen by the Mazowiecki Administration and continued by the Bielecki Administration. Responsibility for this policy is borne by both main factions of the post-Solidarity camp. Yet this is a policy which affects very painfully the segments of society constituting the traditional base of NSZZ Solidarity, that is, the employed in general. This policy also conflicts with Solidarity's system of values, because it burdens the poorest strata with the cost of the crisis and the reform. In this respect, once the Balcerowicz [shock therapy] Program was adopted, Solidarity's preferences turned around 180 degrees.

This has resulted in a crisis in the contacts between the political elites that emerged from Solidarity and their social base, in cracks and disputes within Solidarity. That is because of the virtual bankruptcy of the stabilization policy in its purely economic dimension.

The last two governments have been pursuing a definitely rightist policy. In some respects it is more rightist than that initiated and pursued—under completely different circumstances besides—by Mrs. Margaret Thatcher.

[Frydrychowicz] It used to be that Kuron and Modzelewski were mentioned in the same breath, like Marx and Engels. What has caused you two to stand in opposite political camps nowadays?

[Modzelewski] This is to me one of the most painful consequences of that schism, because it is a personal one. So much links me to Jacek Kuron that I find difficult to accept the fact of our now being in different political camps. It seems to me that I understand the psychological mechanism which has led him to take the position he has taken, but the we differ in the same way as Labor Solidarity differs from the Democratic Union.



I believe that, on becoming a minister of state, he may have evolved into both a moderator of the public mood and a television spokesman of the policy chosen by the Balcerowicz team.

At the moment there has been some shift in emphasis in his declarations. But that shift is not substantial enough to fill in the rift existing between him and me.

[Frydrychowicz] What specific aspects of the government's policy are opposed by Labor Solidarity?

[Modzelewski] We insist on the interpretation of the ideal of social justice that had been characteristic of Solidarity before it found itself in power. Accordingly, we are against the policy of kindness toward the rich and severity toward the poor. The contrast between the poles of wealth and poverty in Poland is becoming increasingly sharp. We believe that this should be neither accepted nor tolerated. The present situation is conducive to greater tensions and may result in a collapse of the reform policy.

We are against abolishing the welfare function of the state on the grounds of the liberal dogma that everyone should be on his own and pay for what he needs.

The policy of lowering real incomes, which is pauperizing the society, combined with the state's withdrawal from welfare services is resulting in that those who suffer most are the neediest, the weakest ones. On our part we cannot consent to this.

The adherence to the present, liberal and monetarist course is leading the economy to the brink of disaster. The Draconian financial policy is smothering demand and depriving both the public and the enterprises of the funds they need; as a result the enterprises lack the possibilities for restructuring. Most of the nation's enterprises are operating at half capacity, and thus their unit costs are much higher, because they are debited to a lower output. The deprivation of enterprises of the funds they need and the reduction in demand are causing production to become moribund. For the time being we are patching up this gap with imports, chiefly private imports. This gives birth to those personal fortunes which the government generously promotes by granting tax and customs exemptions, because it believes that those who are rapidly amassing wealth should be aided and supported financially inasmuch as they are expected to become the locomotive of the economy once they invest their fortunes in manufacturing. So far this hope has not justified itself. To be sure, the imports of consumer goods are temporarily stabilizing the market, despite the decline in output, but this is a short-term solution, because it is depriving Poland of the foreign exchange earned from exports by state industry, which is being spent on private imports.

Reform through ruin is an incredibly costly road and it does not lead where it is worth leading.

[Frydrychowicz] Do you believe that the economic policy is based on a philosophy whose main tenet is that anything associated with the former People's Republic of Poland should be discarded?

[Modzelewski] I believe that, contrary to appearances, that policy is largely ideologically motivated. If it is not changed, it will result in social malaise which may culminate in violent outbreaks that no democracy can survive. Then a transition to dictatorship would be simply unavoidable.

[Frydrychowicz] What is the way out of this situation?

[Modzelewski] Let me to refer to articles recently published by two economists.

The first, Jan Mijzel, is concerned with the drive to rescue state enterprises, which are nowadays on the verge of bankruptcy. They number in the hundreds. Not all, of course, should be rescued, but, e.g., those with more or less modern technology or those relatively easy to modernize need to be supported.

That support should be based on a restructuring program providing for a suspension of the payments of dividend to the state and postponement of the repayments of bank debts on the basis of principles applying throughout the world, with the state providing loan guarantees to the enterprises' creditors. Such enterprises should not be pressed against the wall and put out of misery. The ones with potential should be afforded an opportunity to survive and provided with a little money. A little, not as much as might seem necessary.

The other economist, Stefan Kurowski, not only stands in another political camp but is the father of liberalism in Polish political thought. Yet he claims that the protection of state industry, the state's industrial policy, should not be abandoned, just as agricultural policy, the idea of restructuring the economy, etc., should not be abandoned.

Kurowski also claims that accelerated privatization is not a solution to the recession. The way it is conducted now, it is producing negative consequences in the form of a free-for-all plundering of valuable components of public wealth by domestic and foreign middlemen and speculators.

[Frydrychowicz] So far the state has been subsidizing the privatization.

[Modzelewski] Well, precisely! And that is a sacrifice of economic common sense, laid at the altar of doctrine.

Yet the industry that still exists should be revived. Kurowski proposes stimulating the economy through a marked reduction in loan interest rates and easing of loan terms. He also proposes that attempts to exploit the increase in demand by jacking up prices should be nipped in the bud by means of a penalizing anti-inflationary tax. I myself had made a similar proposal in the fall of 1989. This should be accompanied by positive

privatization, that is, by construction and promotion of and investments in new plants, even if they are merely small artisan shops or private dairies, so long as they stimulate competition among enterprises.

The state must also do something about its budgetary obligations to education and public health. Here no more slashing of the budget is possible. We are opposed to it, because it seems to the government that it can keep on endlessly reducing the health care minimum available to citizens, and perhaps also the educational minimum, in order to finance its economic policy of bankruptcy, which is how it should be called nowadays.

Such is, in a nutshell, the road to changing the situation in Poland.

[Frydrychowicz] That is a program that the SDRP [Social Democrats of the Republic of Poland, a postcommunist grouping] and the OPZZ [National Trade Union Alliance, also postcommunist] would not be ashamed off.

[Modzelewski] There are some similarities between us, especially in our criticisms of the government's social and economic policies. For this reason we are even being attacked politically.

[Frydrychowicz] What are you being accused of?

[Modzelewski] That we are close to the Reds, of course. That we are on the left just like the SDRP.

I believe, however, that we differ from these organizations, which are colloquially termed postcommunist—perhaps a sometimes wrongful oversimplification—not only fundamentally, in origin, but also in our program. The SDRP has assumed a certain label, a certain brand, which is not completely groundless, although it hardly characterizes precisely the SDRP once and for all. I think that everyone will scrutinize that party fairly long and wonder whether and to what extent everything that is being proclaimed by its activists is sincere and completely truthful.

We represent—that is certainly how we could be characterized—the post-Solidarity center-left or leftist orientation. But we are utterly opposed to any return to the command-allocation economy in response to the divers dangers entailed in the present policy of the government, even though a situation prompting pressures in that direction may arise.

[Frydrychowicz] The SDRP's program does not mention any such return.

[Modzelewski] I am not accusing them of postulating such a return, but I am not certain whether they completely preclude it.

[Frydrychowicz] But let us return to the similarities between your and their programs.

[Modzelewski] They are similar, above all, in criticizing the government's policy, as well as in their proposals. But I would not fear that our program would meet with applause from the SDRP, just as there is no fear that the OPZZ would support Solidarity's planks. Since this shows that organizations with differing orientations are concerned with protecting the working people, it is natural that their criticisms and demands are similar.

But the condition of working people calls for protecting them not only from the trade-union standpoint, that is, by making demands, but also in the political domain through a different view on the distribution and utilization of national income. That is already politics, and it should not be surprising that in these matters parties with similar programs are voting in favor of the same motions in the Diet.

But this also is where I would distinguish between a political movement and trade unions. A trade-union organization may moderate its demands, but it cannot act like a political party, because then it reneges on its purpose as a trade union. This switch [the transfer of power to Solidarity] has derailed, as it were, some of our unionist activists after they became elected to the parliament or offered government posts.

[Frydrychowicz] It is my understanding that the Balcerowicz Plan reflects such reneging.

[Modzelewski] Well, let it be finally said that there would have been no Balcerowicz without Jaruzelski, without 13 December [1981, the imposition of martial law].

Solidarity as it used to be before that date would not even have allowed the Balcerowicz Plan to be formulated. In the Solidarity before 13 December the leaders were responsive to masses of activists so much that if they wished to retain control over the course of events, they had to take into account the thoughts, wishes, and expectations of their social base.

This mass activism was killed off by martial law. When Solidarity became reborn afterward, it not only failed to regain its previous membership size but also became less activist. Its myth survived, however, and it was followed by trust in the first Solidarity government, that of Tadeusz Mazowiecki. It was, however, a trust so complete that no attempts were made to force that government to act so as to comply with Solidarity's own expectations. As a result, the new government could do unchecked whatever it wanted. It was under no constraint from or control by Solidarity. To be sure, there were the other trade-unions and political groupings, and the PZPR [Polish United Workers Party] still used to exist then, but they all sat on the "dunces' bench" and did not dare to assume the role of the opposition. In Solidarity's own ranks there was a similar shortage of nay-sayers.

Well from this soil grew the Balcerowicz Program. In a different psychosocial and political situation it would have been inconceivable.

[Frydrychowicz] How do you expect the situation to unfold after [the coming parliamentary] elections?

[Modzelewski] Two possibilities: Either the new parliament will reflect the state of the society, and then it will be divided, or there will be a stable parliamentary majority that would not reflect the alignment of social forces. The prevailing view nowadays is that the second alternative is preferable.

I believe that, to be sure, it is possible to design the parliament so that the government would have no problems with it, but the problem is not to avoid troubles with the parliament but to avoid troubles with the society.

The situation will hinge on the state's future economic policy. Unless that policy is sufficiently rapidly changed, the material and social collapse of Poland will continue. Then tensions and social conflicts will accumulate and will no longer be resolvable through agreements and the tendency to resolve them by force will grow. This will result in the growth of authoritarianism, which I already mentioned.

I fear that then democracy in Poland will lack a clear future. Attempts should therefore be made to avert this. The best pessimistic forecast is the one that does not come true.

[Frydrychowicz] Thank you for the interview.

#### [Box, p 2]

Karol Modzelewski used to belong to the ZMS [Union of Socialist Youth], and since 1957 also to the PZPR. On completing studies in 1959 he was employed by the University of Warsaw. The "Open Letter" he had drafted together with Kuron to the members of the university party organization became in November 1964 the reason for discharging its authors from membership in the PZPR. In March 1965 both became detained and sentenced, K. Modzelewski to 3.5 years in prison. Released in 1967 ahead of schedule, he was again detained on 8 March 1968, and again sentenced to 3.5 years in prison.

Since 1971 he worked at the Warsaw branch of the Polish Academy of Sciences. In 1974 he defended his doctoral dissertation and in 1978 his habilitation dissertation on the subject of "Society and Economy of Medieval Italy."

Since 1980 linked to the Solidarity movement. Interned. In December 1982 accused of trying to overthrow by force the system of society of the Polish People's Republic. Freed under amnesty in August 1984.

Senator. Initiated the formation of the Group for Protecting Worker Interests within the Citizens' Parliamentary Caucus of the Diet. Founded Labor Solidarity in the fall of 1990.

#### Election Forum: Party Representatives on Crime

92EP0007A Warsaw ZYCIE WARSZAWY in Polish  
11 Sep 91 p 3

[Statements by various party representatives compiled by Izabella Wit-Kossowska and Marcin D. Zdort; places and dates not given: "Campaign of Programs: The 1991 Elections"]

[Excerpts] The coming parliamentary elections provide an opportunity for competition among specific political programs. However, hardly any political party or organization has so far drafted a program answering all or at least most of the questions posed by voters, and few of these programs touch a chord among the public. We desire to ease the problem for both politicians and voters by presenting once a week brief discussions of the most important social problems and of the ways of resolving them proposed by experts from the principal political groupings standing for the elections. [passage omitted]

#### Weapons Should Be Used More Widely—Electoral Catholic Action

Ryszard Czarnecki:

The resolute struggle against crime and the protection of the security of citizens are domains of the state's action in which cutting corners makes no sense. We support the proposals to establish local police, which to be sure will not replace the State Police but will assist in its operations.

We believe that the rights of the police to use weapons should be broadened. That is because criminals feel themselves immune owing to the lack of resolute response from policemen who are hobbled by the existing regulations.

We are in favor of greater specialization of police work, in response to the challenges of our times—the car gangs, large-scale drug trafficking, the Soviet mafia, etc.

We also believe that the propaganda of the mass media, which accuse the police of "treating criminals too severely," should be halted.

#### Foundation for Protecting Law and Order—Liberal-Democratic Congress [KLD]

Boguslaw Szybalski:

The KLD is drafting a set of proposals intended to safeguard public security and safety. Some of these proposals, such as the dissolution of the Ministry of Internal Affairs and the establishment of the Ministry of Public Administration, already are being translated into reality by the government.

There is a need for establishing many specialized police services. A national police (the counterpart of the American federal services) should be formed, along with local

police units battling ordinary crime. The Railroad Protection Service, which so far has not been accomplishing its purpose, should be incorporated in the local police units.

Our proposals also provide for establishing national road police as well as specialized police units, e.g., financial police, to be subject to the minister of finance.

We would like to relieve police personnel of most of the burden of administrative work by transferring it to the offices of public prosecutors. And the public prosecutors themselves should show themselves to be more resolute [in combatting crime].

To support the police financially, we are setting up the Foundation for Protecting Law and Order under the Liberal-Democratic Congress. This foundation could, together with the local communities, sponsor local police services by, e.g., financing the acquisition of equipment, gasoline, etc.

#### **It Is Trust That Matters Most—Citizens' Center Accord**

*Krzysztof Piesiewicz:*

The problem of ordinary crime stems from much more general causes, from certain political-mafia alignments which still persist in Poland.

The principal barrier to the effectiveness of the police is not the lack of funds but the loss of prestige and work ethic by the law enforcement organs. What matters most is not how much policemen earn or what cars they drive but their spontaneous sense of emotional comradeship and the feeling that their interests also are the interests of the community. A society which trusts its police allows it to act resolutely.

Winning prestige takes time and effort by the state. In England germane publications and films have been over dozens of years promoting the prestige of the police.

The effectiveness of the police should not consist in severity of punishment but in inevitability of punishment; hence, the crime detection rate should be augmented.

At the same time, shortages of funds should not be ignored; the police should, like the schools and the health service, be shielded by a special protective umbrella in the state budget.

#### **Streamlining the Administration—Mazowsze Region Solidarity**

*Wojciech Arkuszewski:*

In recent years there has been a sharp upsurge in the crime rate in Poland. This is due to both the weakening of all the agencies of law enforcement (the Supreme Chamber of Control, the public prosecutors' offices, the

government, the police) and the introduction of capitalism in Poland and the attendant greater possibilities for abuses (chiefly economic ones).

This can be prevented only by rapidly strengthening the appropriate institutions of the state and streamlining the state administration.

#### **For Clear and Unambiguous Regulations—Democratic Union**

*Krzysztof Snopinski:*

The Democratic Union shall strive to make laws explicit and unambiguous so that they would promote the punishment of criminals without being exploited to promote political interests. Only such a legal system can assure effective crime control.

We believe that the police should be provided with modern crime-detection equipment. A situation in which criminals often use better tools than the police cannot be tolerated. The provision of new equipment should be accompanied by growth in the professional prestige of the police and by judicious personnel recruitment. This requires raising the salaries of policemen. To the Democratic Union finding funds for this purpose is an absolute necessity.

Laws should be passed to permit the formation of local and municipal police units, provided that the local communities consent to the higher taxes this would involve. Such units, controlled by local governments, can become an effective instrument for crime control and at the same time an important element of local-government rule and of building trust between local residents and their police.

#### **Social Stability of Policemen—Alliance of the Democratic Left**

*Ryszard Grodzicki:*

We would like the state police to be an effective and strong arm of the state in combatting the world of crime. One requirement for this to become true is by promoting a feeling of social and professional stability among police personnel.

Thus while we are aware of the financial condition of the state, we support only minimal cuts in the expenditures on the law enforcement bodies, cuts that should be correlated with reductions in all other line items of the state budget. The choice will doubtless be difficult, but any automatic across-the-board cuts should be rejected. Budget cuts at the expense of crime fighting can be made only in full awareness of all their consequences, both short- and long-term ones.

It is worth bearing in mind that there is no direct relationship between the number of policemen and the crime rate. It is not only the condition of the police that affects the crime rate. The social and economic changes

occurring in this country also affect quite markedly and, unfortunately, adversely the level of crime.

### Elections Elicit Party Views on Economic Issues

91EP0706A Warsaw ZYCIE WARSZAWY in Polish  
6, 13, 20, 27 Aug 91

[Statements by various party representatives, first three compiled by Urszula Szyperska, fourth by Malgorzata Pokojaska; places and dates not given: "Election 91: A Proposal for the Economy"—ZYCIE WARSZAWY introductions are in italics]

[6 Aug p 4]

[Text] Most of the parties that are competing for our votes in the October election are for the free market; for stable, exchangeable currency; for a way out of the recession; for an increase in real income; and, in general, for transforming Poland into an economically developed country. However, they see the ways of achieving those goals differently, and they address their programs to different social groups. The five points of our survey our aimed toward capturing the differences between the programs of the most significant parties. We asked our subjects about:

- Their attitude to the program of general privatization.
- The extent of state interference.
- Treasury policy.
- Ways of combatting the recession.
- Their attitude to the "popiwek" [the tax on above-the-plan growth of wages].

*Today's guest is Waldemar Kuczynski, a member of the Presidium, and the chair of the Economics Commission of the Democratic Union.*

[Kuczynski] We support privatization because a real owner makes the enterprise work better, so we all gain advantage from this. The [Democratic] Union is in favor of the sale of state property, in cash or on credit, because this makes for a committed owner. The Mazowiecki government prepared the first plan for distribution, to accelerate the privatization process. We do not reject the present concept right away, though it is too vague. We recommend acquaintance with the details before completion, and a careful approach during the process. The Union does not spread illusions that the distribution will give everyone millions of real zlotys. This is confirmed by the government's conception, which says today that we will be given no one knows how much, of no one knows what.

The leading actor in the economy is the entrepreneur. The Union supports state interference which facilitates initiative, supports its development and expansion, and protects, to some extent, against the invasion by alien tigers with better developed claws. The instruments of

such intervention are legislation, information and advising; well-planned financial aid, and, finally, an appropriate policy of currency exchange rates and customs. Except for normal social intervention, we are against supporting bankrupts. We all pay for that.

Poland needs economic expansion. This is why today the politics of moderate social coverage is more appropriate. At the same time, we need to lower the taxes paid by enterprises and to favor saving, meaning accumulation of resources for the development of the economy. There will be no investment without accumulation; without investment there will be no development; without development there will not be greater social coverage. To make such coverage possible, we must make of Poland an efficient and competitive country.

The economy will become expansive when forces based on private enterprise will lead the way. In the private sector, the recession does not exist and new workplaces are being created. Unemployment will stop increasing when the increase of work places in this sector outweigh the decrease in the state sector; and the recession will disappear when the increase in production in the private sector outweighs the decrease in the state sector. It is essential that the inevitable shrinkage of the state sector does not catastrophically outrun the development of the private sector. Therefore, it is necessary to stimulate the private sector, and slow the reduction of the state sector. We oppose the collapse of the private sector, as happened in former East Germany. Keeping a firm policy toward sluggish state enterprises, we take under consideration the possibility of serious reduction of their debts, and of reform of dividends and the "popiwek". We want to give some oxygen to the healthier and more dynamic part of the state sector. The Union is for union rights, and at the same time definitely against the encroachment of unions on the territory given to the managing boards. We are also for treating workers as partners with the right of participation in company matters. But we are strongly against multi-management in state enterprises, which does no good for the ordinary workers. We will strive for the fundamental reinforcement of managing boards. In macro-economic policy, we are against the further decrease of global demand and incomes; we are for flexible course politics which stimulates export. Reliance on new forces, and on export and investments, is a way out of recession which will not turn into a way back to inflation.

Wages depend on productivity. A country which is more efficient (we can measure it by national income per employed capita) has higher wages. In two countries, equally productive, the differences in wages can result from which part of national income is designated for investments. The dependence of wages on productivity is a law of nature, or a law of God, and nobody can evade it. Our wages will be as high as in West Europe when our productivity will also be as high.

[13 Aug p 4]

*Today's guest is Adam Glapinski, vice chairman of the Center Accord, and minister of spatial development and construction.*

[Glapinski] From the beginning, we have been in favor of universal privatization, for the enfranchisement of citizens, and this concept was incorporated into our program. But we cannot agree how to conduct this operation well. The formula accepted recently by Minister Lewandowski is not the most fortunate, but these are only technical matters. Generally speaking, we are for the so-called privatization by five paths, that is, for various forms of transformations of ownership. We still are in favor of quick privatization, but it is now obvious that this process will take time. The Mazowiecki government did not take advantage of its chance; the economy sinks more and more, and the situation is more difficult. It is necessary to do everything one can do, that is, to change the system of management in state enterprises. We are for the strengthening of management; for making contracts with managers, for five years for example. We propose that the work force would try out the management for a few weeks, and then, after signing the contract, they would not be able to change the manager until the end of the contract. Unless he commits a crime.

There is no market economy in Poland now, and relying on "the invisible hand of the market" would be ridiculous. If, however, the question were asked, whether the role of the government in, for example, Holland is too great, my answer would be in the affirmative. In our country this role must be great—to orient the economy into a desirable, market direction. The most important change is that of the administrative system of the state enterprises which I mentioned before, and secondly their privatization. The state should also steer industrial policy; and I consider agricultural processing and agricultural areas in general, as priority sectors. We need to direct the bulk of our foreign credits into those sectors. Everything which increases export possibilities is extremely useful. We cannot watch in silence as this part of our economy dies because the Eastern market collapsed. We have to reconstruct our former connections, to increase the ability of enterprises to react flexibly.

We should focus on low taxes. We must relieve the companies of this burden, and free the spirit of initiative in them. The services which are used by wealthier persons should not be gratuitous, so that these services can be free for the poor. I will use an example from housing policy. My department proposes actually three policies, addressed to groups of different income levels. The first group consists of wealthy persons who can take advantage only of easier access to construction grounds and of simpler procedures. For the middle income group, we anticipate convenient mortgage credits; and for families which cannot afford to pay for any credit, cheap communal housing. I am striving for priority treatment for the housing industry. It is a unique area, in which social and economic issues are linked. The housing

industry mobilizes savings, encourages migration and gives the economy a chance to develop. The Center Accord is a Christian Democratic party, with a very strong liberal current. We are especially interested in the family, not the individual, some social group or some region of the country. The family should have a feeling of stability and safety. When it is not "built in" to our everyday life, it influences the moods in society and makes the formation of democracy more difficult. It is necessary to gain control over this atmosphere of insecurity—the feeling that something is going wrong, falling apart. We want to create a block of social safety; our goal will be that an unemployed person would not be left alone, that he or she will be in the "embrace" of institutions which will take care of him; that they will look for jobs for him or they will propose retraining. A program of cheap housing is closely connected to those activities.

From the beginning we were in favor of anti-inflation politics and quick structural changes, but the Mazowiecki government concentrated only on the control of inflation and the strengthening of the zloty. It lacked the courage to secure adequate dynamics of structural changes. A firm monetary policy, without development of the private sector or commercialization, pushed the state sector into recession. It is necessary to loosen this policy, and even to agree upon a budget deficit. The refinancing rate should be lower than the inflation rate to make credit cheaper. These activities are necessary to put the economy in an upswing. The medicine applied by Balcerowicz may be good, but the patient is dying. We cannot wait in silence while state industry collapses, and effective private business does not develop. Development needs a flow of foreign capital, and its influx is conditioned by stable rules, practiced, for example, over fifteen years. Foreign capital must be controlled by directing it to specific areas, especially to the agricultural processing industry.

Wages should be as much as is productivity. It is true that in Poland one works very hard, but productivity depends mostly on organization, technical equipment, etc. The "popiwek," on the other hand, should be cancelled. Let the enterprise itself shape wage systems. If its products find buyers, there is no reason to limit earnings.

[20 Aug p 4]

*Today's guest is Janusz Korwin-Mikke, leader of the Union for Real Politics.*

[Korwin-Mikke] The program of universal privatization announced recently is a step backward, in comparison to the old program presented by the liberals. The influence of international banks is evident here. Massive corruption can not be avoided with the present plan. We are of the opinion that the entire state property should be sold on credit, quickly, efficiently, and honestly. Without distribution, which is economic bolshevism. No one respects that which one gets for free. The idea is that an

enterprise should have one owner. A four-member company is already too much, and thirty thousand people—is a joke. A factory should be bought at auction, upon payment in cash of one percent or several percent of its value, with the rest on credit. In our opinion, about thirty percent of factory stock should go to the pension fund. There is no such fund, which is a criminal swindle. The communists maintain that they put retirees' dues into industry. Therefore, it is necessary to create a pension fund from 30 percent of each factory, and the profits from these shares should go for pensions. A certain amount of the shares of each factory should also be designated for the reprivatization fund. Reprivatization cannot simply be the return of property. Poland lost over forty percent of national wealth during the war; this percent loss should be deducted from the value of the property returned. We are of the opinion that 20 to 25 percent of the shares should be deducted for the reprivatization fund. In addition, 20 percent is to go to members of the work force, and 10 percent "scattered to the winds," for everyone. We think, by the way, that this is stupidity, but that is how the Sejm decided. About 15 percent of the shares remain. Someone who wants to buy the factory would pay, for example, two percent, and would take up credit for the rest.

The state should not conduct any industrial policy, agricultural policy, etc. If one eliminates state intervention, a market emerges automatically. One must transform overnight all enterprises into one-member companies of the State Treasury, and the market will begin to operate.

We are in favor of low taxes, not above ten percent of income. And we are for the elimination of housing programs and social services, which burden working people to help freeloaders. Let everyone make a living, and not wait for the state to buy him something. From a poor woman who makes 700,000-800,000 they take two percent of her lifeblood for relief for some freeloader who doesn't want to work because, for example, he can't find work in his profession. There is no unemployment in Poland, only people getting relief.

The recession here is created only by the government, which imposes huge taxes. We are for a tax amnesty, and the return of more or less half the money which enterprises—substantial taxpayers—have paid. Of course, this would be returned in installments.

If the government ceases to create a recession artificially, wages will rise. Though not everywhere. It is quite possible that some factories will go bankrupt, and people will have to go to other factories, where, after all, they will earn two to three times as much. A factory must first sell its goods, and when it receives money, it can increase wages. One must give it freedom, and thus the "popiwek" must be eliminated.

[27 Aug p 4]

*Today's guest is Janusz Lewandowski, a member of the Political Council of the Liberal Democratic Congress and minister of property transformation.*

[Lewandowski] I fully support the program of general privatization. The necessity of finding the key to more rapid privatization of large industries, and of generalizing property laws, has been recognized in Gdansk liberal circles, from which I come, for three years. A program based on these assumptions, marked by international confirmation of its feasibility, came into its own in June 1991. Unfortunately, criticism which lightly denies the results of several months' work is presently in style; it is more and more difficult to work with parliament; improvised ideas, superficially appearing to be alternatives, are put forward. In addition, Madame Bochniarz [Minister of Industry] has introduced a great deal of propaganda fuss, as if she had not noticed that, for her, the time of idle debate about the economy has ended, and the time of greater responsibility for one's words and deeds has begun. I maintain that we can not afford a delay in the area of property transformation; it would be a mistake to use the tactic of biding one's time until the election. Energetic steps are necessary today, if we are to see the effect tomorrow!

A mature market economy demands less state intervention than does the transition period in which we now find ourselves. Above all, the state takes part in shortening the road to the market, as a kind of midwife to many institutions—the stock market, for example—which, in the West, developed over many generations. This sort of intervention should gradually die out. The scope of intervention to correct the course of the market, on the other hand, will probably rise. The experiences of 1990 and the first half of 1991 incline us to this belief. Today, the Agency for Agricultural Marketing conducts such intervention in a systematic way—not to the farmers' satisfaction, but to the limit of the state's ability. The need has also arisen for broadened intervention to ease "positive adaptation" in industry. This is, however, a dangerous game, on the edge of direct control. Commerce institutions, like the Polish Development Bank or the Agency for Industrial Development, do this better than the administration, if they begin to operate on a wider scale. In general, one must fight against the mythology of industrial restructuring without privatization, which is spreading in Poland. This myth was painfully exposed in the former GDR, where great sums were fruitlessly pumped into restructuring state industry. An overinflated public sector will always be a source of uncertainty, inertia, and chaos in the Polish economy; attempts to put it in order from behind a desk in Warsaw is doomed beforehand to failure. A real owner is needed.

The system of public finances is continually being rebuilt. This does not give entrepreneurs the comfort of stability. I am not going to pronounce clichés about low taxes as inducements for the development of enterprise.

I am of the opinion, however, that administration, treasury departments, and the customs services should immediately be subject to fundamental improvements. The next government will have to see to this, besides completing tax reform.

Recession is the cost of the stabilization policy. The recession concerns above all the public sector, which at one time produced more "to the plan" than for the market. In the longer term, the solution to the recession is, of course, privatization. The fact that its effects will be delayed is additional justification to strengthen the process of property changes in the economy today. In the shorter time frame, certain hopes can be placed in the influx of foreign capital. There is still little of such influx in Poland, in comparison with, for example, Hungary, or Portugal. We must show that our country is an attractive investment zone, especially after the recent change in regulations. I think that extraordinary inducements to foreign capital should be in effect in regions which are particularly threatened by unemployment. And this must be a sharp blow: abatements, inducements, exemptions—the whole arsenal. We will not gain, in the short term, a boom without debt relief for enterprises. This especially means the burden of debts accrued last year. A restructuring of enterprises' debts is possible along the lines of that which we received, as an entire economy, from foreign creditors.

I belong to the cabinet which accepted the "popiwek" as a necessary evil and a temporary solution. It causes much irrational behavior on the part of enterprises, which somehow do not take advantage of all the possibilities for maneuver which arise from this year's "popiwek" formula. On the other hand, wage control has with the utmost certainty increased the chances for survival of many enterprises. A wage explosion would lower their competitiveness. This is just how it happened in the former GDR. We do not have to repeat these mistakes. I believe that only a real owner can conduct an effective wage policy. Therefore, the "popiwek" should disappear along with privatization; this is the case both in production industries as in the public utilities which naturally operate on the basis of limited profitability.

### **Bugaj Proposes New Economic Directions**

92EP0005A Warsaw *TYGODNIK SOLIDARNOSC*  
in Polish No 35, 30 Aug 91 pp 4, 5, 9

[Interview with Ryszard Bugaj, leader of Labor Solidarity, by Wojciech Gielzynski; place and date not given: "The Liberals Are Devoid of Ideas: 'A Program of Action for the Year Ahead Should Be Drafted in a Manner Such That After a Year It Would Tangibly Benefit the Public, and Then the Next Step for Further Gain to the Public Should Be Considered'"]

[Text] [Gielzynski] Maciej Jankowski, the head of the Mazowsze Region Solidarity, recently told RZECZPOSPOLITA that he is a signatory to the program planks of

Labor Solidarity, but that "it is a party isolated on the political scene." Do you feel like an orphan in the woods?

[Bugaj] We do not feel isolated, although unfortunately we lack clout, and we are not actively recruiting mass support. Contrary to the accusations of our "proneness to populism," we also respect the sorry necessities of the law of economics and of the costs of the reform. Our real problem lies in that we were late in commencing our initiative, and we did that under unfavorable circumstances, because the basic schism within the post-Solidarity camp took place at the time of the presidential elections, along the axis of interpersonal disputes. That hardly attracted our attention, because we were so certain that Walesa would be elected, [and he was]. Among ourselves, Milkowski organized an electoral campaign on Walesa's behalf, whereas Modzelewski and Malachowski warned against him. But we did not share the illusion of the Democratic Union that there would be another winner of the elections. We understood that Walesa's authority as the president should be protected—against himself too.

[Gielzynski] Could you define in a nutshell the purpose of Labor Solidarity?

[Bugaj] Above all, we protect the interests of the working people, or the "salaried," to use the fashionable term, or "the world of work," to use a term for which the fashion has fortunately passed.

[Gielzynski] Why do you avoid being characterized as "the Left" and refuse to be called social democrats? Who else but you should fashion that "left leg," or, say, prosthesis, which was mentioned so often by Walesa?

[Bugaj] If we are asked, we answer clearly: Yes, we are the moderate Left. Once politics in Poland becomes normal, the division into the Left, the Right, and the Center will be obvious. At present, however, the trouble is that many people in Poland identify the Left with the Red Devil and it is not certain whether they will change their opinion soon. So what we are doing is not camouflaging ourselves but trying to avoid misunderstandings, as do nearly all the other political parties. And, for example, Adam Michnik claims that the division into the Left and the Right is pointless, that is, makes no sense.

[Gielzynski] Were your party to operate in the West, then....

[Bugaj] We would support the Mitterand camp, not Chirac; the Labor Party, not Mrs. Thatcher.

[Gielzynski] Are not your trade-union activities at the factories being hobbled by your ["Leftist"] political reputation?

[Bugaj] Among the workers are practically minded people who do not wait for ideological declarations. They view the state, politics, the economy, and public



life chiefly through the prism of the factories in which they are rooted. We readily find a common language with them.

[Gielzynski] And with the plant Solidarity [as opposed to "Labor Solidarity"] commissions too?

[Bugaj] There is now an ongoing competition for the favors of Solidarity, which is being courted by all the structures which it has established, but we do not intend to involve our trade union in a purely political alignment. We believe anyhow that in Poland there still exists a need for Solidarity itself, as an authentic trade union, to be represented in the parliament and represent supra-political interests. As for us as a political grouping, we desire to specialize in socioeconomic issues.

[Gielzynski] Exclusively? A political grouping without a political platform?

[Bugaj] If we are asked about the projected constitution, the role of the Catholic Church in public life, or foreign policy, we shall of course answer. We do take a position on these issues. But that is not our main preoccupation. As we see it, a trade union may not even take a united stand on such issues, but it should have taken such a stand on socioeconomic issues.

[Gielzynski] Thus you and Solidarity will be neighbors on the Sejm benches, will not you?

[Bugaj] I believe so, if a place for us is found. The views of Labor Solidarity and Solidarity converge explicitly, and this also was shown by our recent discussion of emergency economic measures in which representatives of Solidarity's National Committee took part. This is quite natural, considering that every genuine trade union must be a little leftist, though it does not have to brag about it.

[Gielzynski] Are you and Solidarity bothered by fear of the new—or rather old, positivist—"let us get rich" ideology? Why do not you rebut it and defend your own values? The fact that Karol Modzelewski has authored an excellent explanation of your rationale in the *Paris KULTURA* is known only to a few hundred people in Poland.

[Bugaj] You are right. Of course, our views on interpersonal relations are quite different from those being promoted nowadays. The way things stand, it looks like any Polish television viewer who has not yet established some or other business of his own should feel totally worthless.... If he is an industrious worker and the prime minister keeps on telling him that he is some strange relic of history, that viewer feels frustrated and curses everybody and everything. That is something we want to resolutely oppose. We also oppose the technocratization of management. Private companies should do as in the West and not require employees to perform purely executive duties, because this results in unprecedented social conflicts. It is highly interesting that the Liberals—e.g., Sorman in his books—also have noticed this. A

group of well-performing enterprises was investigated and it turned out that they are enterprises in which the problem of participation and cooperation of employees was solved successfully. Our program of action places strong emphasis on the idea of the "modernizing coalition" based on balancing the interests of enterprises and employees.

[Gielzynski] Such a coalition has been accomplished in Germany. And in Japan, too, despite its egregious cultural differences.

[Bugaj] Of course. But we are thinking of something more, namely, of the acknowledgment of diverse rationales—both the rationales of those who claim that our economy should be plowed under in accordance with market requirements and the rationales of workers. Responsible political representations must find that balance, that tongue of the scales, which is definitely absent in the present parliament, and which may also be absent in the next parliament if the elections are boycotted by a majority of frustrated voters.

[Gielzynski] Do not you fear being shouted down as utopians under the pressure of those who are promoting any and all forms of entrepreneurship?

[Bugaj] But yes, we expect that. But as for the accusation of utopianism, we address it to the Liberals, because it is they who are most doctrinaire. When Balcerowicz was reproached because the GNP fell by 13 percent instead of the presumed 3 percent, and because his subsequent promises did not come true, he answered, more or less, "We are making a revolution and you want us to render an accounting. You don't understand history at all!" But it seems to me that we should understand at least one thing from history: No more revolutions! No more long-range programs!

[Gielzynski] John Maynard Keynes once said that in the long run everyone will be dead, and so he is not interested in long-range plans.

[Bugaj] And we say, a program of action for the year ahead should be drafted in a manner such that it would tangibly benefit the public, and then the next step for further gain to the public should be considered. The measures taken by the present government are utopian, and at the same time it ignores their social cost. We support what I would term "morality in the economy." The Liberals say that there are no moral or immoral ways of making money. And that is what we oppose.

[Gielzynski] This year has been abounding in financial scandals.

[Bugaj] Not only that. I am thinking of the mindset to which any manner of amassing fortunes whatsoever is not to be questioned if capitalism can thereby be introduced. This is practically how some columnists, for example, Andrzej Krzysztof Wroblewski, put it.

[Gielzynski] But "utopia" should be interpreted as a set of values to be aspired toward even in the knowledge that

they shall never be fully reachable. Bah! Even in the knowledge that translating these values 100 percent into reality would result in another misfortune.

[Bugaj] Of course. That is why we desire to base the socioeconomic system on several values, such as relative—I emphasize: relative—egalitarianism, cooperation instead of competition among individuals, and local home rule. Yes, they all are leftist values, provided that they have to be interpreted anew, with new forms to be developed, because the old interpretation of these values was appropriated—and destroyed—by the communists. We advocate these demands and ideas with, I would say, a large dose of humility: They have to be explored. We consider it obvious that Poland is condemned to explore a solution of its own.

[Gielzynski] The third way? Even though it is nowadays so unfashionable that Premier Bielecki mocks it and even the Holy Father distances himself from that third way, although the social teachings of the Catholic Church are one of its variants?

[Bugaj] Yes. There does not exist any straight path toward reproducing Western capitalism in Poland. The problem is not to select the right model but, as in technology, how to do it? There is no simple answer to it. The road to a market economy has everywhere been very long, whether in Sweden or in Japan at the turn of the century or in post-Franco Spain, or for the "four tigers" of the Pacific Rim. What matters most is not disputes over what the model should look like, say, 30 years hence but what is going to happen in the meantime. Consider that here in Poland it is a foregone conclusion that industry shall remain quantitatively dominated by state enterprises for the next 4 or 5 years. Thus, it will be a mixed economy, whether one likes it or not. But this is precisely what the present government refuses to acknowledge, and hence it has evolved no policy toward state enterprises. The entire program for their ownership transformations as presented so far is a package of cosmetic measures designed to last not even months but weeks. But as for us we are declaring bluntly that state-owned enterprises will still predominate for a long time to come, and hence we should design a system for maximizing their productivity—which of course does not conflict with the need for their privatization. That is why, the state, as an element of the economic system, cannot be extremely liberal in its philosophy—and in this country it is more liberal-minded than in the most developed Western countries.

[Gielzynski] In my mind I can hear the chorus of Liberals answer you in unison, "There is no alternative to the Balcerowicz Plan! We alone have a program of action!" Yet consider that the prestigious periodical COMMENTAIRE has published the following heresy by a Mr. Nicolas Baverez, "Liberalism does not have at its disposal some miracle model capable of accelerating the transition of the decollectivized countries to democracy and the free market."

[Bugaj] Is that a heresy? That is what we keep telling Balcerowicz bluntly. The Liberals repeat ad nauseam that there is no alternative, but we answer them, "Gentlemen, what else is your program than several simple answers to a very complicated situation? Our program is much more specific. Yours reduces to having a convertible currency, a tax on wage increases, and a balanced state budget—and we can see just how balanced it is!—and a positive real interest rate. That is all; there is nothing more you propose. But we ask, What is your concept of the restructuring of industry? What is your concept of the rationalization of the welfare state? And it turns out that they are devoid of ideas.

[Gielzynski] But what about the major argument that without foreign financial aid and guarantees our economy will stay mired and the reforms will collapse—how would you convince the World Bank and the International Monetary Fund about your views? They are simply lapping up Balcerowicz's shock therapy plan.

[Bugaj] I do not look at it as dramatically. The IMF has nothing against the conduct of microeconomic policy, which is our concern and which the Polish government does not pursue. Yes, indeed, Balcerowicz is known and valued in the United States, speaks fluent English, displays the right "style" and similar views—he is "theirs" psychologically too—but the IMF negotiates with various partners and can be flexible. It watches above all the following criteria: the state budget, inflation, and wage controls, i.e., the "macro" domain. But when [the French minister] Pierre Beregovoy delivered a speech at the opening of the Polish stock exchange our press reported only his discussion of stock exchange operations without mentioning even a word of another subject which he had emphasized strongly in his address: the fundamental role of the state, without which there can be no mention of reforms. Anyhow the people at the IMF are intelligent and aware that they have never before had to deal with postcommunist economies and so they themselves have to learn how to reform them.

[Gielzynski] And they are not urging rapid privatization to be followed by "the invisible hand" and days of wine and roses, are they?

[Bugaj] No. I think that they are aware that first, while the mixed [state-private] economy still exists, all the institutions indispensable to the functioning of the free market must arise. It is unrealistic to promise, as unfortunately Tadeusz Mazowiecki also did during the presidential campaign, that we will privatize one-half of the economy within three years. The only way it is possible is, of course, through a surreptitious giving away of national wealth. Yet that is the approach the government has adopted—worse even, with the participation of foreign capital.

[Gielzynski] Is the distribution of [stock vouchers in] 400 enterprises "to all Poles" a frivolity and sham privatization?

[Bugaj] Of course, it is. This is a Bolshevik idea as Balcerowicz himself had put it in the first half of 1990. It is an idea similar to the communist "national property." And what will it lead to? To a rapid concentration of capital in the hands of a small group, because the small owners, those "all Poles," will have to sell their stock for a fraction of its book value in order to augment their miserable incomes. Moreover, to offset the hole in its budget due to that giving away of 400 state enterprises, the state will be forced to raise indirect taxes. The man in the street will probably not gain anything from this operation, and he may even lose. What is more, Minister of Ownership Transformations Lewandowski wants to transfer the [privatization] boards to the control of foreign managers. Is Poland some Republic of Upper Volta where no competent individuals can be found? Certainly, Western managers are experienced, but they are not familiar with the Polish realities. Besides, how can it be assumed that they will be completely neutral and make no under-the-table deals with each other, that they will be concerned for Polish interests alone? This is so improbable!

[Gielzynski] Do you reject all forms of the distribution?

[Bugaj] Not at all. We accept them for individuals wronged by communism, for those who had invested their savings in special bank deposits for the purchase of housing, and whose savings are now practically worthless in depreciated currency, and for those who did forced labor. This will absorb part of stock capital, but these individuals suffered historical wrongs which must be remedied. In addition, some enterprises should be turned into companies partially owned by certain state and quasi-state institutions, such as insurance companies and foundations sponsoring culture, ecology, and public health. The incomes of these companies would indeed benefit "the average man." This is more important than reprivatization, that is, the restitution of assets nationalized by the communist state, although the related claims should be to a limited extent satisfied.

[Gielzynski] I think that Labor Solidarity is too weak to act on its own and should consider forming alliances. Which party does yours feel closer to? Democratic Union or Center Accord?

[Bugaj] If the program of Center Accord is what has recently been formulated by Prof. Kurowski, then I agree with it to a very large extent. But we are very much apart when I view them through the prism of the conduct of various Center Accord deputies in the Sejm. As regards the Democratic Union, I do not understand, for example, what can there be in common with those among its leaders as Tadeusz Syryjczyk, that scourge of Polish industry, and the social democrat (?) Jerzy Osiatynski. Anything they agree upon—if they desire to reach a heroic compromise—would be a banality. I am very much in accord with the articles nowadays being published by Waldemar Kuczynski, but his former actions as an influential member of the Mazowiecki Administration had not much in common with them. Anyhow, we

do not specialize in constantly keeping track of the president's actions and commenting on them, as Adam Michnik is doing. We believe that if there exist potential threats of the advent of authoritarianism (and they do exist), they are rooted not in the personality of President Walesa but in the pauperization of the society. The destitute may demand the strong hand instead of "the invisible hand."

### Joint Italian-Polish Steel Enterprise Planned

91EP0714B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 5 Sep 91 p 1

[Article by Antoni Kowalik: "The Italians Will Buy the Warsaw Steelworks"]

[Text]

### Zoliborz Breathes Again

If all goes well, in about a year and a half, in place of the Warsaw Steelworks there will arise a modern, organizationally and technologically European-level, Italian-Polish joint venture manufacturing steel that is competitive both in quality and in price. That is at least how it ensues from the letter of intent, signed on 4 September in Warsaw by Minister of Industry Henryka Bochniarz and a representative of the Lucchini Group, to form a joint venture with the Warsaw Steelworks, in which the Italian company wants to invest about US\$200 million.

If the contract expected to be signed early in October takes effect, this will be the first instance of the entry of private foreign capital into our metallurgical industry. That is because the restructuring of that industry is being protracted owing to the lack of funds, which foreign investors can provide. The Italians would provide a nice beginning by transforming a Moloch that is obsolete in every respect and environmentally noxious into a modern and environmentally neutral company.

The purpose of their project is to turn the Warsaw Steelworks into a plant that would be competitive on the domestic market and, chiefly, on the European markets, in terms of its technology, productivity, and the quality and prices of its products. The Italian firm intends to apply gradually and increasingly to the existing structure of the present enterprise the model of a modern steel plant and the organizational, administrative, and commercial system which has proved successful in the industrial history of the Lucchini Group.

Zenon Banasiak, the current manager of the Warsaw Steelworks, declared that this project affords a major chance to both his enterprise and the industries which it provides with steel. The industries will be supplied with good raw material and the steelworks provided with technologies it could previously only dream of. Instead of the existing seven furnaces with their fuming smokestacks, there will be installed two electric furnaces that are so hermetically sealed as not to release any smoke, noise, or dust.

When asked why did the Italian company decide to invest precisely in Poland, U. Calzoni enumerated many compliments addressed to our country, from which it ensued that the factors that counted are metallurgical traditions, a skilled workforce, and above all the potential of our market and our location in the center of Europe. That is because the Lucchini Group intends to conquer the continent from the eastern direction.

On the recommendation of both partners, a consulting company reappraised the worth of the assets of the Warsaw Steelworks, that being a requirement for its privatization. If the cooperation takes place, the intent is that the Italians would receive a 51-percent share.

The Lucchini Group is a holding company associating seven enterprises. It specializes in metallurgy. Last year it exported 40 percent of its output to, chiefly, France and the Federal Republic of Germany. The overall volume of its sales last year was 1,170 billion lire.

#### **Statistics for Company Commercialization Reported**

91EP0714C Warsaw RZECZPOSPOLITA  
(ECONOMY AND LAW supplement) in Polish 2 Sep 91  
p III

[Article by Ada Kostrz-Kostecka: "What's Happening at the Companies?"]

[Text] Commercialization, that is, conversion [of state enterprises] to one-person Treasury companies, is a transition stage in the process of privatizing state enterprises. The enterprise itself remains, as the appellation shows, the property of the State Treasury, and the Ministry of Ownership Transformations, which represents its interests, reserves for itself in this case far-reaching powers, such the decision to change the company's scope of activities, statute, ownership status, dissolution or receivership, change in the size of stock capital, or issuance of bonds.

This transition stage should be as short as possible, and that is why, in principle, the ministries' consent to commercialization is contingent on the presence of a program for continued ownership transformations, that is, for privatization. That is because, in the opinion of the ministry's representatives, that situation at the Treasury companies often is not good; of a certainty, the transient nature of their status does not promote stability and good work.

But how does it all look from the statistical point of view?

By the end of the first half of this year, according to the Main Statistical Administration, there were 283 one-person Treasury companies in Poland, compared with 248 at the end of last year. This does not mean that their number has increased little; rather, this represents the balance between the newly established Treasury companies and those departing this category owing to their

privatization. The largest number of these companies, 92, existed in industry, followed by 54 in construction, three in agriculture, and six in transportation.

By the end of July 184 state enterprises were commercialized with the aim of their subsequent privatization. The next, larger group of 400 state enterprises is now being readied for so-called accelerated commercialization.

According to an estimate by the Ministry of Ownership Transformations, 31 percent of the existing commercialized companies participate in international trade, chiefly with the countries of West Europe.

The fixed assets of companies of this kind display on the average a 50-percent depreciation, and that is why the appraisal by the directly concerned parties of the possibilities for utilizing these assets, which fairly often reaches 100 percent, seems exaggerated.

The economic condition of the companies varies, and is changing in different directions, improving at some companies and worsening at others. Of the 122 companies reporting by the end of July, 95 earned profits totaling 660 billion zlotys and 27 incurred losses totaling 472 billion zlotys. In general, the situation in electrical machinery companies—which account for the largest number of companies with Treasury-ownership status, as they number 32 percent—has improved, but metals-industry companies, which account for 4 percent, are not doing as well.

In the first half of 1991 13 companies were reappraised and sold, and 31 more were being readied for privatization.

Of the companies sold the one with the largest capital of its own was Polam-Pila, Inc., followed by Exbud, Inc., and the one with the smallest capital was Inowroclaw Meat Works, Ltd. The two companies with the largest stock capital were Krosno, Inc., and Polam-Pila, Inc., and the one with the smallest stock capital was Budokor, Inc.

The next candidates for sale by public offering are, among others: Okocim, Inc.; Wedel, Inc.; ZPO Bytom, Inc.; Lezajsk Brewery, Inc.; Polifarb Cieszyn, Inc.; Mostostal Warszawa, Inc.; and Centrum Department Stores.

For the second half of this year the Ministry of Ownership Transformations anticipates the privatization, through contribution of capital, of about 40 large enterprises and 20 to 30 smaller ones. In addition to the enterprises named above, this group will include two household chemicals enterprises, the ELTA Power Industry Equipment Enterprise, the Rafako Raciborz Boiler Factory, four pulp and paper plants, two or three cement kilns, two Orbis hotels, two or three construction enterprises, two sugar factories, the Brzeg Fats Industry Works, two repair shipyards, the Chifa Surgical Instruments Plant, Inc., and the Bydgoszcz Furniture Works.

**Aviation Industrial Town Adapts to Changes***91EP0720A Warsaw GAZETA BANKOWA in Polish  
No 35, 1-7 Sep 91 p 17*

[Article by Stanislaw Brzeg-Wielunski: "On the Wings of Mielec"]

[Text] The Polish aviation industry consists of 25 plants, which as recently as 1990 employed 80,000, whereas now 50,000 are left and struggling to retain their jobs. In the last 30 years this industry as a whole exported 80 percent of its output to the USSR and 15 percent to Western markets, with 5 percent remaining for domestic consumption. Nowadays that the Russians are utilizing the conversion to dollar trade as an alibi for failing to pay for the aircraft taken from Poland, this entire industry is on the verge of bankruptcy.

The Mielec WSK [Transportation Equipment] Plant, one of the country's largest, had to let go 4,000 employees in 1990 owing to lack of orders and is planning a further cutback to 10,000 from 13,000 employees. Those who remain earn an average, without bonuses, of about 960,000 zlotys monthly in June and July. The management is, through the mediation of Polish and foreign companies, frantically trying to get the USSR to pay its debts through barter. These debts are sizable, because this year the Russian did not pay "even a cent" for eight AN-28 transport aircraft (out of the 24 ordered) and 19 AN-2. As recently as a year ago they picked up from Mielec 190 AN-2 aircraft, whose overall output for various markets totaled as many as 13,000 [as published].

Well then, how does the Mielec plant manage to subsist? Solely from exports to Western markets, because this year four farm trailer-trucks were sold to the United States, 13 to Spain, and three to the Polish company Aerotech. The production potential of the Mielec plant is not at a bad level considering that a delegation from the McDonnell-Douglas concern expressed the opinion that, given only a minor conversion of the machinery pool, the plant is capable of manufacturing parts for the MD-80, which LOT Polish Airlines was to purchase. A similar conclusion was reached by the Italian Alenia, which already signed a contract for delivery of several hundred parts for the ART-72, purchased by LOT for domestic routes.

Boeing has made an "offset" offer to invest US\$45 million in the Mielec plant if it were to manufacture parts for the B-727's to be eventually ordered by LOT. A similar offer has been made by Airbus, which proposed that the Mielec plant be a coproducer of the A-320 aircraft, four of which it wanted to sell to LOT. At a meeting with the management of the Mielec plant Prime Minister Bielecki proposed that they retool it to "manufacturing sewing needles."

Admittedly, Western aviation equipment is better, but how to pay for it? The Mielec plant is preparing to

manufacture in 1993 the I-22 assault and combat-training aircraft, equipped with Western engines and radar, as a replacement for Soviet planes. This new aircraft will afford an opportunity to maintain the present numbers of Polish combat aircraft, which in a couple of years will decline in half owing to wear and tear, considering also that the armed forces still face a long wait before they get the money to purchase planes like the F-16 and others. That is why, from the standpoint of the need to protect national sovereignty and economy, keeping at least part of the potential of Polish aviation plants in operation is a necessity.

**Commentary on Present, Future State of Industry***91EP0720B Warsaw GAZETA BANKOWA in Polish  
No 35, 1-7 Sep 91 p 16*

[Article by (JR): "The Force of Inertia"]

[Text] Monthly communiques of the Main Statistical Administration are keeping us posted about the condition of Polish industry. Industrial output is falling and about 40 percent of the plants are no longer credit-worthy. State plants became one of the victims of the Balcerowicz Plan, although this has been largely through their own fault.

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It is difficult nowadays to assess the state of Polish industry as a whole, owing to the lack of sufficient data. One can only try to point to certain trends.

Deputy Prime Minister Balcerowicz's assumption that enterprises would rapidly adapt themselves to the new economic conditions has turned out to be too optimistic. But this has not freed the government of the obligation of having an industrial policy, and in that respect the last two years are to be regarded as wasted. Most enterprises are focusing on survival, in accordance with the old Polish principle of "muddling through." The winners are the enterprises which immediately commenced restructuring.

Polish industry can certainly be characterized as being energy- and materials-intensive, decapitalized, and relatively unproductive. This is a consequence of its years-long structure designed to make costs and profits irrelevant to the functioning of enterprises, along with centralized allocation of investment funds and a scarcity economy that created no problems with demand.

The process of thorough restructuring of the economy initiated in 1990 has been reflected in the abundance of consumer goods, except that they are imported goods. To Polish enterprises the test of the free market has not been favorable. A natural consequence of this situation should be bankruptcies, but they did not occur. The force of inertia of industrial plants proved too strong to overcome.

The new situation of Polish enterprises has been additionally complicated by the transition to hard-currency dealings in trade with the Soviet Union and, as a consequence, the collapse of that trade. To the bulk of the Polish machinery industry this has meant the need to curtail output and explore alternative markets. In view of the quality of its products, it has been fairly difficult to market them elsewhere. Thus what remained was to send employees away on forced furloughs.

Another factor without which there can be no discussion of Polish industry nowadays is the ownership transformations. Here too the government's assumptions proved to be divorced from practice. To enterprises burdened by obligations to the state such as the tax on wage increases and the "dividend" payable to the state, the first stage of privatization, i.e., conversion to a one-person Treasury company, meant that they would be freed of these obligations. Accordingly, the Ministry of Ownership Transformations is being flooded with applications from enterprises for commercializing them. The status of a Treasury company is a dreamed-of status needed for survival, because it relieves the enterprise of responsibility for its subsequent fate.

But not all enterprises can be commercialized, and besides that is not the goal of the government. For various reasons, not all the money-losing enterprises can be allowed to file for bankruptcy either—consider the case of Ursus [tractor plant]. Allowing for various social and economic circumstances, the need for an industrial policy of the government cannot be avoided.

The basis for such a policy could be the analysis of discrete industrial subsectors from the standpoint of their profitability, strategic importance to national interests, export potential, and actual competitive ability. Some subsector studies have already been initiated on behalf of the former Ministry of Industry as well as of the Ministry of Ownership Transformations. They should answer the question as to the developmental prospects of discrete subsectors, and hence also of enterprises.

Poland is too small a country to produce everything at any price. It is readily conceivable that we may give up making things which other countries produce better and more cheaply, and concentrate on the fields in which we can be competitive. Here too an industrial policy of the government is needed. Closings of money-losing plants are only one side of the coin. The other side is creating new jobs.

The restructuring of the economy will not be accomplished by the market forces alone, especially by an imperfect market like in Poland. The anti-inflationary policy, that top priority under the Balcerowicz Plan, has led to a recession on an unprecedented scale. Inflation is moribund, but so is industry. The only question is, to what extent would revival of industry revive inflationary tendencies? Of a certainty, economists could dispute this issue for a long time, yet a program for such a revival is indispensable.

### Transformation of Cooperatives Assessed

91EP0720C Warsaw GAZETA BANKOWA in Polish  
No 34, 25-31 Aug 91 p 9

[Article by Leszek Pawlowicz: "Changing the Modes of Ownership of Cooperatives"]

[Text] The 40 years of existence of cooperatives within a centralized economy resulted in that the period when the cooperative movement in Poland used to be the locomotive of entrepreneurship became ancient history. In the centrally planned economy the state and the party assumed in practice such powers as the right to appoint all or part of the management of cooperatives, to annul the resolutions of cooperative bodies, to dissolve, break up, and merge cooperatives, to dispose of their net surplus, etc.

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As a result, cooperatives ceased to be cooperatives per se. Their members owned symbolic shares only and were totally deprived of responsibility and isolated from risks and advantages, and chiefly from ownership.

The status of cooperatives in Poland is strange. They are called units of the socialized sector, whereas actually the cooperative form of ownership constitutes group ownership. Moreover, a majority of the assets of cooperatives belongs to no one, and that is how it is interpreted by a majority of their members, employees, and governing boards. In view of this cooperatives have often been in reality the private fiefs of their chairmen.

The assets of most of the cooperatives currently existing in Poland were not and are not the property of their membership. Members' shares account for only a minor source of these assets. Generally speaking, the following four sources of cooperative assets can be distinguished:

- Members' shares;
- Assistance from the state (subsidies, preferential credit, guaranteed monopoly of operation in a given territory, etc.;
- Expropriation;
- Labor of hired employees who in general have not been members of cooperatives (excepting labor cooperatives).

The ongoing transformation of the state sector and the absence of a program for transforming the cooperatives is turning them into a curiosity, a relic of the bygone era. Yet they provide employment for about 2 million people and, if only for this reason, changes of that sector must be accomplished with great deliberation.

At the same time, many cooperative enterprises arose and have been operating as a substitute form in lieu of private companies. They represent glaring examples of

the economic error of protecting the cooperative form of operation against transformation into a capital-type association.

As economic growth proceeds and in the presence of a liberal economic policy, it is natural for cooperatives to tend to transform themselves into capital-type associations. There are exceptions to this tendency, but a strategic policy of economic growth should not be based on them.

The point of departure for the proposed concept of transforming the cooperatives is the assumption that in a market economy capital-type associations are superior to personal-type associations.

A cooperative enterprise is a typical example of the association of persons rather than of capital, and the so-called cooperative enterprises in the postcommunist countries represent an extreme distortion of the idea of personal associations of an economic nature. A reform of this relic of a bygone era is indispensable.

In general, in this connection, two solutions are possible.

- The so-called cooperatization of cooperatives, that is a return to widely propagated original ideas of the cooperative movement (privatization as part of the organizational-legal form of cooperatives);
- Transformation of cooperatives into capital-type associations (privatization by turning cooperatives into commercial-law companies).

Every cooperative should have a guaranteed right to choose its own road to privatization through a decision adopted at a general meeting of its members. As a result of privatization, however, the members of the cooperative would be unable to own the assets which have accrued without any *de facto* contribution from them whatsoever.

In the case of members of cooperatives it is virtually impossible to follow the principle of rendering unto God what is God's and unto Caesar what is Caesar's.

That is because it would be unrealistic to determine, on the basis of the origins of assets, which part of the assets is actually owned by the members and which is not. Because an objective division is not feasible, the sole alternative is a surgical cut.

The decision to transform a cooperative into a joint-stock company should be taken by the general meeting in full awareness of the rules of the game, that is, in full awareness of the conditions which the cooperative must satisfy in the process of its privatization in order to gain for its present members and future shareowners the property rights due them.

The decision of the general meeting is voluntary, but it may be influenced by:

- Incentives, e.g., granting greater rights to the ownership of the cooperative's assets than might ensue from the actual share of its members;
- Constraints, e.g., the so-called dividend encumbrance on the assets of cooperatives, by analogy with the dividend [paid to the state] at state enterprises.

A reasonable combination of incentives and constraints, allowing for approximate rights to ownership, may be proposed. Approximate rights to ownership can be estimated or appraised by classifying cooperatives according to two criteria:

- Time of formation (establishment);
- Type of cooperative.

We propose the complete privatization of the cooperatives established after 1982 (with the exception of the labor cooperatives formed on the basis of the liquidated unions of cooperatives). This means that the transformation of these cooperatives in practice does not involve any prerequisites and they can decide without any constraints on the organizational-legal form of their business activities.

As for the cooperatives founded before 1982, we shall rank them according to their rights to reserve funds. They have the right to only a part of the indivisible assets. Their co-owners remain, by virtue of law:

- Gminas [townships] (depending on the type of cooperative their share of ownership differs);
- Employees (by analogy with the employees of privatized state enterprises);
- Former employees and former members.

We propose assigning a relatively high share to gminas (local communities), which, however, should be obligated to sell their share within a specified period of time under the peril of forfeiting their title to ownership to the State Treasury.

This proposal seems, for many reasons, more advantageous than the idea of transferring the "noncooperative" part [of assets] to the State Treasury.

We propose basing the ownership transformation procedure on the Law on the Privatization of State Enterprises, Chapter IV, Placing in Receivership. This, of course, requires adapting that law correspondingly. This is not, and should not be, the sole possible way of privatizing cooperatives.

However, any road to privatization—aside from the needed amendments of the Law on Cooperatives—may prove unrealistic unless the Law on Land Management and Expropriation of Real Estate is amended. Under that law, cooperatives, unlike state enterprises, have merely the right to utilize legally built real estate on, in general, communal land. This right is nontransferable. As the legal situation is at present, Cooperative X upon

being transformed into Company Y forfeits its right to use the buildings which it had erected on communal land.

In conclusion, it should be stated that all proposals for transforming the cooperatives will be debatable and collide with conflicting social interests. It is to be thought that:

- Members of cooperatives will doubtless pursue claims to a majority or the entirety of the current assets of cooperatives;
- The interests of the local communities, while essential, may remain unperceived by the “dormant” and often incompetent gmina authorities. Moreover, the incentive (of regaining communal property) will operate less strongly in the case of cooperative members gaining the title to private ownership;
- The interests of the hired employees of cooperatives gaining the same rights as the employees of state enterprises may not be represented by any organized force;
- “Activist” members of cooperatives who are inspired by the idea of a “genuine” cooperative movement will try to disregard the fact of the voluntary transformation [privatization] of cooperatives and, in their concern for maintaining a strong cooperative movement, will actually refuse cooperative members the right to change the form of ownership;
- There will also be a sizable group of persons not interested in any change whatsoever in the present structure of the rights of ownership in the cooperative sector, because in reality a substantial segment of the present cooperatives is parasitically living off what it does not own.

### Split in Public Service Announced

91EP0714A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 3 Sep 91 p II

[Article by Antoni Kowalik: “The Divorce Between the Postal and Telecommunications Services”]

[Text]

### Profits for the Companies, but Do Consumers Benefit?

As of 1 January next year, under the law on communications, the state organizational unit Post, Telegraph, and Telephone (PPTT) will be broken up into two autonomous entities, the one-person Treasury company Polish Telecommunications and the state public-service enterprise Polish Post.

In August the committee preparing these changes, appointed by a resolution of the Council of Ministers, completed its work, that is, among other things, it worked out a plan for dividing assets between the nascent firms, transferring the employees of the present

PPTT to the future company, and setting up guidelines for sharing that part of the assets which will remain jointly owned, drafting the statute of Polish Telecommunications and the order for the establishment of the enterprise Polish Post, and taking an inventory of the current assets of the PPTT as well as reappraising their worth as required by the relevant provisions of the Law on Telecommunications.

The drafts of these documents have already been completed, with one exception—the reappraisals of assets. The provisions of the law requiring such reappraisals prior to the actual breakup of the PPTT seem to be rather overoptimistic. As a nationwide enterprise employing about 170,000 persons and operating a huge infrastructure with a huge number of facilities, buildings, and structures, the PPTT has turned out to be too difficult to appraise its net worth, especially in view of the need to perform such appraisals quickly. It was found that determining the titles of ownership of discrete PPTT assets in discrete cities and townships and the eventual acquisition of equipment along with the attendant reappraisal of their worth require time which would protract the entire process of ownership transformations. Moreover, the reappraisals would have to be verified by judicial experts, which means yet another postponement, which in this case is bound to be substantial in terms of time.

In such a situation the committee proposed utilizing the experience of industry and applying the provisions of the Privatization Law serving to transfer assets according to their book value when establishing one-person Treasury companies. Total reappraisal in such cases takes place before stock in such companies is made available to third parties. This solution serves, according to Deputy Minister of Communications Andrzej Wilk, to speed up ownership transformations and protects the interests of the State Treasury and eventual creditors or stock owners.

However, such an approach to privatization requires amending the Law on Communications. Such amendments have been drafted and will be considered by the Council of Ministers at its Tuesday meeting, whereupon they will be transmitted to the Sejm.

Such amendments would be, according to the Ministry [of Communications], the last formality needed to finalize ownership transformations within the postal and telegraph services. That is because the assets of the PPTT have already been divided between the firms that are to be established, and, according to Deputy Minister A. Wilk, this division was accomplished rather smoothly; the number of appeals against proposed rulings of the voivodship commissions dividing the assets is said to be small. Polish Post was given, among other things, the motor vehicle fleet and the building currently housing the ministry, while Polish Telecommunications was allocated all specialized equipment and engineering plants. The remaining assets will be used jointly, in accordance with the guidelines developed by the committee.



Thus the divorce of the postal and telecommunications services will soon become a fact. Both firms will become independent, meaning that their future earnings will be theirs to keep. The paramount principle will be the maximization of profits. What are the benefits of that divorce to us, customers of both firms? Does company independence have to be linked to jacking up the prices of services?

This is possible, of course, because, e.g., the prices of postal services will be determined by the director general. The minister of communications may merely specify their upper limits, which, in view of the interests of investors, should not be too low.

Deputy Minister A. Wilk declared, however, that no such jacking up of prices should take place. After all, both firms will be making money thanks to their infrastructure, which costs the same to maintain whether it is utilized or not. Therefore, customers should not be scared off with high prices but, on the contrary, encouraged to avail themselves of the services. Broadening the range of services offered as much as possible, especially by the postal service, is the sole way of achieving financial independence. The future will show whether Polish Post decides to adopt this approach, or whether it prefers to rely exclusively on raising prices in order to offset its deficit.

#### **POLITYKA Weekly News Roundup: 1-7 Sep**

91EP0709A Warsaw *POLITYKA* in Polish No 36,  
7 Sep 91 p 2

[Excerpts]

#### **Around the Country**

The government will send the parliament a constitutional bill on special powers. Such a decision was made at the extraordinary session of the Council of Ministers on 1 September. The government's press secretary, Andrzej Zarebski, said that even special powers will not solve the problem of the weak position of the executive branch. "The difficulties in the management of the state are especially dangerous given the critical international situation and the symptoms of crisis appearing inside Poland," the government's spokesman said. [passage omitted]

The Polish Episcopate announced its position on the elections and decided that it will not mention any preelection tickets. The bishops also forbade priests to conduct electoral campaigns or to make churches available to any candidate's agitators. "As soon as elections give the power to declare oneself in favor of a state that is based on respect for human dignity, order, and justice, then lay Catholics have the right—even the moral duty—to take part in them," we read in the Episcopate's declaration. The majority of political groupings has received the declaration favorably.

The new school year, an unusually difficult one for education, began on 2 September. In his inaugural speech, the Minister of National Education, Robert Glebocki, announced the necessity of making serious financial savings, which will embrace all spheres of school life. The department calculates that the normal functioning of education requires that at least 1.5 trillion zlotys be "found."

The deadline for registering lists of candidates with the regional and voivodship electoral commissions passed on 2 September. In order to complete registration, it was necessary to collect a minimum of 5,000 signatures supporting the given list in five electoral regions, or, 50,000 signatures over the whole country. As of 1 September, 23 electoral committees had completed registration with the PKW [State Electoral Commission]. [passage omitted]

Crowds came to Warsaw's "Zacheta" [Art Gallery] on 1 September to take part in the "We Are" exhibition's varnishing day. The exposition, which will continue until 27 October, is the first presentation of emigre art on such a scale. It encompasses more than 600 works of 168 artists from 21 countries. Accompanying it are individual showings, scholarly sessions, and a review of films.

The Sejm's health commission passed a vote of no confidence in regard to the minister of health, Wladyslaw Sidorowicz. This was caused by a report of the NIK [Supreme Chamber of Control] that showed the department's bad financial management. The deputies were particularly upset by the expenditures for the living expenses of the minister and his deputies as well as the costs of travel in official cars. Before passing the vote of no confidence, it was proposed that the minister himself offer to resign. Wladyslaw Sidorowicz refused, maintaining that he did not feel guilty. In the deputies' discussion, the dominant opinion was that it is immoral to encourage savings and at the same time to spend each month a sum equal to 15 times the salary of a physician on the hotel of the URM [Office of the Council of Ministers]. Social Democracy of the RP [Republic of Poland] intends to bring suit for defamation against the chairman of the OKP [Citizens Parliamentary Committee], Mieczyslaw Gil, who, speaking from the Sejm's tribune, accused the party's leadership of having contacts with the leaders of the recent putsch in the USSR and appealed for the general prosecutor, the Office of State Protection, and the Ministry of Foreign Affairs to take up this matter. Asked by journalists what proof he will present in court to support his accusation, Mieczyslaw Gil answered, "Everything is before us."

Since 15 September, the price of train tickets has risen by 50 percent. "This will probably not be the last increase this year," stated the general director of the PKP [Polish State Railroads], Aleksander Janiszewski. Simultaneously with the price increase, 52 trains are being withdrawn and 40—including 21 express trains—will have shorter routes. Before the end of the year, the

railroad will lay off 42,500 employees. All passenger transports are operating at a deficit. "The railroad is losing 13 to 15 trillion zlotys on them annually," said the director general of the PKP.

The reduction of the defense department's budget by 18 percent is a serious reflection on the entire Army. The cadre is "frustrated socially, technically, and politically," said the minister of national defense, Admiral Piotr Kolodziejczyk. In the minister's opinion, 10,000 more career soldiers will leave the Army this year, 39,000

soldiers fulfilling their basic obligation will be released to civilian life two months before the end of their service, and 20,000 conscripts will get a deferment. [passage omitted]

The Sejm appointed Henryka Bochniarz to the position of minister of industry and trade. At the same session, the Sejm recalled Andrzej Zawislak from the position of minister of industry and Grzegorz Wojtowicz from the chairmanship of the NBP [Polish National Bank].

**PUNR Official Assesses Parliamentary Activity**

91BA1118A Bucharest RENASTEREA BANATEANA  
in Romanian 16 Aug 91 pp 1, 15

[Interview with Petru Burca, first vice president of the Romanian National Unity Party, by Mariana Cernicova; place and date not given: "We Do Not Play a Political, Opportunistic Game With Anyone"]

[Text] [Cernicova] The second parliamentary session has recently closed, Mr. Burca. How do you assess the activity of the Assembly of Deputies to which you belong, and what were your feelings at the end of the session?

[Burca] My predominant feelings are of dissatisfaction. For several reasons. The debate of important laws was unacceptably stalled, with the voting postponed until the next session. I am referring in this case to the National Security Law (including the Law for the Operation of the Romanian Information Service). Others were debated with a dispatch close to panic, as in the case of the Privatization Law. Less important laws were allocated a sizable share of the available time (the Adoption Law, the Musical Stamp Law, the Folklore Stamp Law). And this government does not plan to have this Parliament approve other important laws, such as the Education Law. With respect to the Education Law, I can tell you that in the opinion of a national leader of the FSN [National Salvation Front], this Parliament is not prepared and ready for a law of such overwhelming importance. But this same Parliament was nevertheless considered fit to adopt, in the absence of most of the opposition, a privatization law which I am convinced will be rescinded by the next Parliament. A tragic aspect of this Parliament, inhibited by the domination of the majority group, is the party line heading followed in the absence of an electronic voting system. It is clear that the installation of an electronic voting system is resisted by the decisionmakers in Parliament under the guise of financial reasons. For a transition parliament, I would have preferred for the adopted laws to transcend partisanship and reflect deliberations based on conscience. But that was not to be! These are some of the reasons why I am not at all happy.

[Cernicova] It has been said and surmised that the PUNR's [Romanian National Unity Party] departure from Parliament during the discussion and vote on the Privatization Law had a political basis. To what extent is this supposition justified?

[Burca] If that is what has been said, it has been a lie. If that is what has been supposed, it has been a mistake. We have pointed out on other occasions that we would have reacted in the same way, even if this draft law, adopted by the FSN with the collaboration of several groups that claim to oppose it, would have been formulated by another organization. It is a coincidence that other political groups in the opposition have reacted identically. We were not solicited nor did we solicit anyone in refusing to participate in the vote for the privatization

law proposed by the government. I would like it to be understood that we can sometimes agree with the majority group, and sometimes with one or another opposition party, just as we always reserve the right not to agree with either one nor the other. We do not play a political, opportunistic game with anyone.

[Cernicova] What legislative initiatives did the PUNR introduce in addition to the criticized draft law for early retirement?

[Burca] The designation of 1 December as Romanian National Day (in fact, the only initiative that passed), the legislated establishment of a Department of Information, the modification of Decree-Law No. 8/1990 regarding conditions for forming political parties, the parliamentary initiative to commission the government to recover, by law, national treasures removed from the country for temporary shelter in other countries, or those which left the country for other purposes. These consist of the priceless patrimony of art that belonged to the Romanian Crown, the gold treasure that was safeguarded in Russia during World War I, as well as all valuable assets illegally removed from the country.

[Cernicova] While the PUNR position for molding a national attitude is clear, economic and social alternatives are missing from the debates. What steps does the Romanian National Unity Party propose toward a coherent theory for society's renewal?

[Burca] I will contest what you say, although my rule is to remain courteous. If you refer to the debate in Parliament, I must tell you that our group has delivered significant position statements on economic and social alternatives, both in plenary sessions and in specialized commissions. It is not our fault that you could not see them on television. Nor is it our fault if the press makes tangential allusions. Therefore, all we can do is ask you to either publish in your paper part of the PUNR program concerning the economic alternative, or to dedicate an interview exclusively to a clarification of this issue.

[Cernicova] It has been repeatedly said that the PUNR does not make political alliances with other parties. At the same time, the refusal to sign the Reform Chart and the departure from Parliament together with other opposition parties, did trace a political line. What strategy will the party you represent in Parliament adopt during the next parliamentary session and in local elections?

[Burca] We did not sign the Reform Chart first of all because parties can be truly proreform without signing the FSN Chart, and secondly because the signing of a document with this name signifies a political alliance, as confirmed by the fact that after signing this document, Petre Roman referred to the cosignatories as allied parties. I repeat: In order to be an opposition party, we don't feel the obligation to be allied to the other opposition parties. We have seen that an opposition alliance, spectacularly named "Convention for the Establishment of Democracy," was able to survive until a second

monolithic party pursued some specific interests close to the FSN. We will make no political alliance, we don't foresee any mergers, and in the next parliamentary session we will continue to remain alone. We do not agree with the organization of this fall's local elections and I am inclined to think that they will bring about a setback in the fragile balance achieved in local power structures. An explanation for this haste is that the National Salvation Front is backsliding, while part of the opposition is growing. It is understandable that the FSN would want to retain as much as possible of the power it gained on 20 May 1990, expecting that the local elections will consolidate its power at that stage. The strategy of future legislative elections would be built on this foundation. I take the liberty to close by saying that if any single one of the 200 registered parties—no matter whether it's the FSN, the PNL [National Liberal Party], the PUNR, the PNT-cd [National Peasant Christian Democratic Party]—will again win 65 percent in the next elections, the evolution of Romanian democracy will be stopped for the long term, because it has been proven once more (as if this was necessary) that a totalitarian or quasitotalitarian power fatally fails to consider the opposition, which based solely on arithmetic considerations, cannot determine the fate of any law. I will paraphrase a bit of Romanian wisdom by saying "if you have no opposition, buy it," and will conclude with "if you want democracy in Romania!"

#### **FSN Deputy on Discrimination, Anti-Semitism Charge**

*91BA1118D Bucharest RENASTEREA BANATEANA in Romanian 19 Aug 91 pp 1, 7*

[Interview with Adrian Vilau, National Salvation Front deputy from Caras-Severin, by Titus Crisciu; place and date not given: "Anti-Semitism, an Artificially Created Problem"]

[Text] [Crisciu] Let us get right to the point. Do you think that in Romania there currently is an upsurge in anti-Semitism?

[Vilau] I don't think it's a matter of anti-Semitism, but rather that always, following situations of major economic crisis—as has often happened throughout history—nationalist and even extremist ideas have emerged the fastest. In today's Romania we can't really speak of anti-Semitism, but unfortunately, some people and groups have tried to exacerbate this nationalistic aspect, which is in fact an old affliction among Romanians, and which consists of pointing the finger at others, of attempting to find a scapegoat for our precarious material and spiritual condition.

[Crisciu] Then how do you explain—both as jurist and as parliamentarian—the labeling of Romanians as anti-Semitic, a label unfortunately attached by a legally competent forum with high credibility throughout the world? By that I mean the United States Senate.

[Vilau] I think we all agree that the end of this century belongs to information; but information that is not pursued to its end and which does not examine the structure of a society can be incorrectly interpreted from the outside. It is paradoxical that now, when Romania has a small number of Jews, we are labeled as anti-Semitic, which we were not many years ago when we had ten times as many Jews. I think that this tag was attached by the American Senate based on information that tried to serve certain special interests. This resolution proposal of the American Senate—I have not been informed whether it was accepted or not—concludes with the following notion: Material assistance to Romania will be granted only if this problem of anti-Semitism is solved. I think that this is the source of the interest, which is primarily economic. It is an artificially created problem to justify the lack of interest of American investors in Romania, so that these funds could be allocated to other countries. At the same time, there is some truth in the fact that our information resources did not correctly present the events in Romania. We cannot deny that a number of articles have appeared in the press that would not discourage a visitor not familiar with Romanian traditions—with the spirit of coexistence that has existed here—from denouncing and casting aspersions against all the Romanian people, which is not the case. Another point should be made, which is that extremists feed on one another. Without placing blame on anyone, I feel that the leader of the Jewish community in Romania, through his often repeated petitions and unilaterally recognized statements, has fed this extremism, a fact that has not been perceived in its correct relationship.

[Crisciu] Let's not look for who is at fault, that's not what's important. What is more important is to let the world know of the true attitude of coexistence which we nurture, cultivate, and have inherited from our ancestors. Don't you agree with me?

[Vilau] Of course. I think that this has already begun. We cannot speak of peaceful coexistence only at the upper levels of political, cultural, or religious structures. Already many Jews who have left Romania to settle in Israel have taken a stand against these accusations, indicating that as long as they lived in our country they experienced no difference based on ethnic considerations.

[Crisciu] If they can be estimated, what are the consequences of this labeling?

[Vilau] In addition to the economic ones I have just mentioned, there are also psychosocial ones, because by living in a society that is highly stressed by existing or merely apparent ethnic conflicts, human relations are not conducted normally, with constant reasons for suspicion, always looking for someone to be guilty when we encounter failures, attempting to find an artificial shield, saying that we have failed for this reason, because the one who was authorized to assist us in an undertaking was not inclined to do so, being ethnically different from us.

[Crisciu] By whom and how could the moral prejudice against Romania be fully repaired?

[Vilau] I think that this task belongs equally to politicians, to cultural workers, journalists, and not least of all to each member of society, through the position they adopt toward anti-Semitic attitudes, and secondly through a correct presentation of human relations in Romania. Another means for correctly presenting Romania's image to the world is through meetings between Romanian diplomatic representatives abroad and Romanians emigres living in the respective countries. We know that until December 1989, for political reasons, this contact was broken, and that a certain animosity has existed between the Romanian Embassy in a country and residents of Romanian origin in the same country. Things have now improved.

[Crisciu] To what extent do you think that Parliament should be involved in this situation?

[Vilau] In the first place, this is not only a conflict between Jews and Romanians. You can also speak of normal relations between Romanians and Germans, between Romanians and Hungarians. In fact, I think you know that when the representative of the German minority presented an amendment for the Law on Land Resources, the entire Parliament joined that amendment, supporting it without considering the ethnic group of the representative, believing that it is better to be correct juridically than to take into account various ethnic traits. At the same time, the participation of the presidents of the two chambers of Parliament, and of some Parliament members, in joint actions organized by the Jewish, German, or Hungarian community, does not allow us to state that there exists a rift between Romanians and the other minorities that live here.

[Crisciu] Speaking of Parliament, what is the attitude in the Chamber of Deputies regarding the ethnic differences of voters? In this context we should point out that you are a member of the Foreign Policy Commission in the Chamber and have a doctorate in human rights.

[Vilau] We all know that a minority in a country has strong ties with that country, maybe even stronger than those among nationals of that country, because history has forced them to find forms of protection and resistance in the country in which they live. The ethnic differences in voters must be seen from two points of view. On one hand, that which a party formed along national criteria proposes and promises to its voters, and on the other hand the fact that each nation has its own ideologic program. As a result, we find in the FSN people of German, Hungarian, and Jewish nationalities who have joined not for ethnic reasons, but rather for ideological reasons, for the program platform. The measure adopted by the former CPUN [Provisional National Unity Council] that all minorities be represented in the next Parliament, seems to me a wise measure that allows all minorities to participate in the state government.

[Crisciu] During your youth in Timisoara, as student in Cluj, as young lawyer in Resita, did you note ethnic discrimination attitudes?

[Vilau] The Banat could serve as example for Europe, because it is a model of civilization for the 21st century. I felt no discrimination, no separatism, beginning with my childhood, when my playmates were Hungarians, and Serbs, and Germans, no more than I felt it later, in my profession, and now I have the feeling of a real increase in sociocultural activities through this multiple form of participation of different nationalities in social life. I think that we could all gain from this extraordinary coexistence, because we can speak of German rigor, Romanian inventiveness, Hungarian unity, the relaxed social behavior of the Serbs, the enterprising spirit of the Jews. In my university life, which I spent in Cluj, I had no dissention with Hungarian students. We had many joint activities, many of them very well organized, and I cannot say that I was isolated or sidelined in the Hungarian community. What is more, we were trying to improve our Hungarian language skills.

[Crisciu] Tell me, if you were simply a lawyer, would you allow this accusatory vote against all Romanians to stand without contesting it?

[Vilau] I think that I would take a position even if I was not a lawyer. It is inadmissible for any man of good will not to be revolted when such a qualification is hurled against the Romanian people. This is not the truth and we must prove it daily through our actions. In the short time I practiced law, I had many clients of Hungarian and German origin, and even Gypsies, whose cases I pleaded as strongly as if they were Romanians.

### **Radu Ceantea Denies Anti-Semitism Charge**

*91BA1118C Bucharest VIATA in Romanian 19 Aug 91 p 1, 7*

[Interview with Radu Ceantea, founder of the Vatra Romaneasca Union, by Ecaterina Freda; place and date not given: "I Am Neither Anti-Hungarian Nor Anti-Semitic"]

[Text] [Freda] Mr. Ceantea, together with others you have formed the Vatra Romaneasca [Romanian Hearth] Union [UVR] in Tirgu Mures. Why?

[Ceantea] Along with my colleagues, I have answered this question on many occasions when, due to severe social conditions, the UVR was exceptionally popular. I think that VIATA readers have already read why this organization was formed, and I therefore don't see much use in repeating the reasons for its foundation, but I can add one confirmation: As early as January 1990, we foresaw that Romania was threatened by the danger that Yugoslavia has been and is now experiencing. Our country makes no sense without Transylvania, even as a picture on the map; but irredentist passions have sought to rip this province away from the mother country. This is the primary reason for establishing the UVR.

[Freda] The Romanian National Unity Party [PUNR] sponsored the AUR [Romanian Unity Alliance] as a candidate in the 20 May 1990 elections. How do you explain the electoral loss and the fact that the alliance with the Republican Party brought so few deputies into Parliament, a number smaller than that of the UDMR [Democratic Association of Hungarians in Romania]?

[Ceontea] In past elections the automatic reflexes of the electorate delivered a large percentage to the FSN [National Salvation Front], so that the loss you mention was not only ours, but that of all other parties, even of the UDMR, as long as it has not—yet—become the government party in Romania, nor a party in a governmental coalition. The rose in Mr. Iliescu's hand played a very important role: Whoever chose him as president, almost automatically also opted for the Front. Very many voters did not even know for instance that they could select Mr. Iliescu, but could vote for PUNR candidates for Parliament. I consider that this psychological game is neither innocent nor accidental, but tricks of this kind are common in political campaigns. While Mr. Iliescu deserved the Presidency—given the list of candidates—the Front did not deserve that much confidence. But that was the "star" role, not to say the lion's share, because by now our poor Ion has turned into a mangy tomcat in the company of the dollar and of chewing gum. If we can rank the losers, the PUNR is still the fifth party. As to the comparison with the UDMR, I don't think it's proper for me to comment, since the latter is an exclusivist party, with a communist disciplinary structure, open only to Hungarians, condemned to a fixed percentage of votes unless the multilingual Gypsies in Transylvania shift even further toward the Hungarian language, the "official" language of this party, whose existence in Romania I do not understand, no more than I understand the existence of parties formed according to ethnic criteria and which I consider undemocratic under our national state conditions, even if the FSN vote juggernaut will recognize them in the next Constitution.

[Freda] Can you tell us whether a split exists following the two UVR national conferences in Cluj and in Tirgu Mures? And if so, why?

[Ceontea] In both participation and magnitude, the Cluj conference proved to be a clone of the one in Tirgu Mures. The split, such as it is, was wanted and "crafted" by those in power. And they found some among us who would play the game; the rewards are tempting. The "crafting" will continue at the professional level and will catalyze as the election date nears. The principle of "who is not with us is against us" is still valid with the former "courageous" administrators and with their sons and nephews. There is nothing we can do: Those in power are settling their accounts with an organization that has arisen as a rejoinder to the UDMR, as rejoinder to its irresponsible offensive against the Romanian national state, as well as a rejoinder to the insensitivity of the FSN to this offensive.

[Freda] What is the role of Iosif Constantin Dragan as honorary president of the UVR?

[Ceontea] Precisely the role defined by the function: The UVR honors him, and he does honor to the UVR. This inspiring relationship results in beneficial collaborations; for instance, the NATIUNEA magazine, founded by Mr. Dragan, has become the magazine of the UVR.

[Freda] Does the fact that you are the founding president of the UVR and president of the PUNR justify the assumption that the two organizations, the first one nonpolitical and the second political, are superimposed?

[Ceontea] No matter what we do, no matter how we see it, our life is stamped with politics. We can live only in politics, except that some become more involved (and risk more), and others less. Buying chicken feet is a political act.

Although it is nonpolitical, the UVR was formed under political pressure and is nonpolitical in the sense that it is not a party. But the PUNR was created from the UVR out of its need to express itself on the political plane. A superposition therefore exists. The field (the surface) is the UVR, the cloud (the mode) is the PUNR. Where does this constraint of nonsuperposition come from? From the Pharisees who want to "monasticize" the UVR so as to eliminate one of the opposition?

[Freda] If you had to choose, would you choose the PUNR or the UVR?

[Ceontea] I cannot opt to separate them. I therefore chose the PUNR in the UVR.

[Freda] Are you anti-Hungarian?

[Ceontea] No one, if he is normal, answers "yes" to this question. Maybe the Hungarians in Tirgu Mures, who know me and with whom I have maintained cordial relations since 1978, could answer this question more objectively. I have succeeded—out of sympathy—to learn Hungarian, to which I do not claim virtuosity but which I did not realize I would have to know in order to "enter" into Europe.

[Freda] Are you anti-Semitic?

[Ceontea] Congratulations! Are you going down the line? Maybe your next question will be "Are you anti-Arab?" I am, without reserve and without any complex, philo-Romanian! I have natural sympathy for other nations. You get closer to those you know directly: Two or three years ago, in a discussion with a Jewish man cloaked under a Hungarian name, Erdely Lajos, I told him that I am philo-Semite. Mr. Lajos, who then lived in Tirgu Mures and now lives in Hungary, taught me a short lesson by which I now abide. He said something like: "My dear sir, to be philo-Semitic is just as bad as being anti-Semitic!" I think that he was right: All we need is to love each other as people; everything else comes after. I

can now finish the answer to your previous question: Following the advice of one of the sons of Israel, I am not philo-Hungarian.

[Freda] Do you consider yourself of the far right, with all it entails: fascism, chauvinism....

[Ceontea] Again? Who "sponsors" you for these questions? In addition to suggesting monosyllabic answers, they provoke me to where I almost want to give some satisfaction to those who have written so many lies about me and about the UVR by shouting: "Yes! And not only that: My father was a cannibal in a Tanganyika tribe...." Let's be serious! Some of your readers may not understand a joke. To the point: I stand in the center, even at the "extreme" center—as I have stated on several occasions. With love toward my nation, I stand in the center. And this is difficult, because in order to maintain a "direction" you must always look for possible dangers, which means more toward the left and more toward the right.

[Freda] Is it true that you would have liked to join a national union government led by Petre Roman?

[Ceontea] I have already said that I was philo-Romanian and not philo-Roman (with apologies to the prime minister!). Despite the fact that some journalists with third class imaginations have written that I want to enter the government, I have not wanted it. But the PUNR did not refuse the proposal; it negotiated it and placed some conditions, which were not even partially accepted. Maybe that was for the best. Our present government's stagecoach—although hobbled—is racing toward the next elections. The whips, that is the prices, are striking the horses which have been strongly drugged but have not been shod by the prime minister. That is why those of us in the PUNR prefer to walk rather than ride in that stagecoach. If Petre Roman misses us, he can make a magnanimous gesture by responding favorably to our request for support in obtaining a PUNR headquarters in Bucharest, considering that we are after all the sixth party. If only we had been the second, like the UDMR, would we have received for our headquarters Nicolae Ceausescu's former guest house on B-dul Primaverii, a sumptuous building, with a garden, birds, masonry walls, trellises, a military guard at the iron gates, cars?...

[Freda] Did the fact that you did not enter the government determine the boycott of PUNR representatives against the Privatization Law?

[Ceontea] Not at all! The PUNR did not want to be part of this law's voting machine, since it considered the law as imposed on Parliament by the government. It passed without any problem because the FSN's overwhelming majority in this Parliament allows it all exclusivity. The real opposition was absent; the musical comedy opposition was present. Maybe the FSN wanted to prove that the opposition does not matter. Does it really not matter?

[Freda] As leader of the PUNR, what do you think will be the relations of this party with the Romania Mare Party? Or with the Socialist Labor Party [PSM]? Or with the historical parties?

[Ceontea] I must admit that when I hear about the PSM, I feel as if my ears were buzzing! If this party wants to restore communism or the socialism related to it in Romania, then the wall between the PUNR and the PSM is ready. Yes sir! I seem to remember that around January 1990, if not even in December 1989, Ion Iliescu had promised to make communism illegal. I also remember that in an admirable consensus, the Senate declared itself in agreement. But here we are: The crocodile gave birth to an offspring, and the offspring is growing even if it is being artificially fed. Did it receive the bottle from the same old nurse? I nevertheless hope that the inevitable disappointment with the FSN will not hurl the electorate into the arms of "the golden dream of the whole humanity." Other parties can of course make mistakes, they can make mistakes even when they consolidate together in a possible coalition government, but no party or group of parties can be more wrong than the communists, independently of the mask under which they hide. You ask me about future relations with the historical parties? Which one? There are no historical parties in Romania! There are the historical relics of some parties! Had they been truly historical, then neither the FSN, the PUNR, nor any other parties would have been founded! The current actions of major leaders of these parties suggests that they need not lower themselves to a party such as the PUNR, nor establish relations with a leader like me, who hasn't even been in prison.... In their newspapers, these parties have written nothing but insults both about the UVR and the PUNR. And about me, nothing good. Unfortunately, while current Romanian politics do exhibit an understanding that an ultimate purpose exists among those in power, a measured indifference is without purpose among the opposition. This may be why the opposition does not matter to those in power. Nevertheless, I still hope for a future unified opposition, because it is the only formula that can help catalyze the establishment of democracy in our country. What could I say about the Romania Mare Party? It has so many enemies that it has become known mainly because of them. We will see what brings us close, what separates us, and just as until now, we will be close for that which brings us close, and will be remote for that which separates us.

[Freda] Are you a monarchist? Why yes? Why not?

[Ceontea] In principle and without explanations, by which I mean naturally, I am not a monarchist. I could accept a "conversion" under one condition: The king would have to be Romanian of Romanian stock.

[Freda] Do you consider yourself as a providential man in the current context of Romanian politics?

[Ceontea] If we accept that we are children of God, then each of us has something providential in his mere

presence. I think that it is not providence that has thrust me forward, but the lack of courage or even the cowardice of those much more competent than me. Unfortunately, at the present political moment, providence has not sent us a man to match the suffering and sacrifice of the Romanian people.

[Freda] What and whom do you fear?

[Ceontea] You might consider it an overstatement, but I'm not very familiar with fear. I have not been and am not afraid. Long ago, I was scared at the thought that I could go blind. In March 1990, in Tirgu Mures, when some Hungarian toughs caught several young men and tore out an eye from each of them because they came from mixed Romanian-Hungarian families, I thought that had they caught me as they planned, they would have taken out both my eyes....

[Freda] What chances do you perceive for the PUNR in the local elections this fall, and generally, for future parliamentary elections?

[Ceontea] Whoever has the political power now, also has the executive power, and whoever has the executive power also has financing sources. Now, only the FSN and the UDMR govern at the local level. At the territorial level they can carry out all kinds of stratagems in order to retain their position. I think that we will be sabotaged through city halls and prefectures. The competition will be rough because we have a modest financial situation. Propaganda is expensive. The voters will assess a party not only according to what is said by its representatives, but also by the retinue and staging with which it presents itself. Alighting from a helicopter for instance, will be far more spectacular than my arrival in a 27 year-old Volkswagen. Isn't that right? Whether we like it or not, things are as they were: The carriage trade is for the rich.... I think that in Transylvania the pseudodemocratic and Hungarian antinational positions will harden, as they have until now, under the protective eye of the FSN. In Tirgu Mures, a select gathering that included Mr. Secares from the "Center," the head of the Mures County Front, Mrs. Filipescu—whose behavior almost prompts me to call her Pauker—has undertaken to ban the logo of the party they have hated ever since the previous elections, the PUNR. They want to disorient our sympathizers about one month before the elections, just like they planned. The rose cannot stand to be in the shade, but it wets the tulip.... We'll see. We are ready to discuss with anyone because we don't have much to lose. Our poor country, it's certainly not short of parties. About future parliamentary elections? Maybe the local political representation will be reflected in the next Parliament, after the voters will probably be manipulated again with price reductions, with salary and pension "increases," with a more careful supply of goods, and with "glitter." The readers will know, they've had practice....

[Freda] What relations do you have with the Romanians emigrated abroad?

[Ceontea] Because of a lack of money, the relations are sporadic but impressively effective.

[Freda] If for Romania's benefit you were to be friendly with a foreign country, which would it be and why?

[Ceontea] This kind of friendship cannot exist. How can I, a person, be friends with a country, and how can that country be friends with me? Friendship among countries is based on friendship among people. If the people are of a high position, the friendship will be at the same level. Sometimes these friendships have been and are strongly formed among persons of the opposite sex and as influential as possible, as has been done and is persistently being done by our European neighbor, Hungary, with its so-called "fifth column of women." It is not in vain that it holds a record: the greater the political hobby [preceding words in English], the smaller the country. The world believes Hungarian politicians even when they lie, and the Romanian ones are often not believed even when they tell the truth. We don't have this skill, nor do we have a "Cicciolina." Only in fairy tales are we as honest as in politics: "If you bring the Dragon's head, Prince Charming, I will give you half of my kingdom and my daughter for your wife...." To be sure, there have also been some painful exceptions, but they almost always belonged to foreigners.

If it was for Romania's benefit, I would befriend any country, but not under any conditions. And while I can imagine, considering the many disappointments suffered by our people, I am thinking of a somewhat exotic triangle: Germany, Japan, and South Korea. Experimentally at first, and maybe with volunteers (Romanian), we could prove the wonders of which we are capable if our countrymen could be shown that democracy means first of all the pure and simple policy of honest work—with advanced processes—and of equally honest reward for the work. Any other policy is merely in addition to this one and devoid of effort.

[Freda] If you were to abandon a political career, what would you do?

[Ceontea] I don't even consider myself a politician, let alone a career one. Here, at least in my lifetime—I am 45—political careers have been equivalent to gargling and showmanship. We have a wealth of such career politicians installed at all levels; they have lived from gargling and from gargling they live. And very comfortably. They needed only one night to go from "my respects" to "down with Ceausescu." And just about as long to shift from the "bright future," the "golden dream of the whole humanity," to "Down with communism!" or from "We'll turn you over to the Securitate!" to "Down with the Securitate!". How can you believe a professor of communism when he teaches lessons in capitalism? Many of yesterday's obedient administrators are today's lively administrators. If not them, it is their sons or nephews, who have never known hunger, ration coupons, or the cold! They are now virtuous democrats and speak to the "dumb people" which Uncle Brucan



discusses in his overly free and insolent appearances on television. I don't think that they, who have exchanged their villas only to leave for "decadent" capitalist universities, will know that a kilogram of salami costs as much as half a pension. The others, "plebeians" who are neither sons nor nephews of activists, those of "healthy" origins, have turned from the UTC [Union of Communist Youth] or PCR [Romanian Communist Party] propaganda to the FSN propaganda, and they feel in their element. How can they be at ease with newcomers like me? How can they accept us? We clumsily knock over their coffees with our elbows.... We bump against the furniture in elegant offices and cannot find the door, while their paths are smooth.... That is why I say that if I have ended up elected in politics, I will not remain in it "collected." I have the feeling that I am holding a place for someone more suitable than me, who will replace me! Sooner or later, I will return to my trades, which are more peaceful and satisfying than politics. I have not forgotten and I will not forget to be who I was: teacher, newspaperman, painter, graphics artist, and while I'm at it, gardener and cook—my hobbies.

[Freda] What question would you ask yourself, remembering that Hamlet asked himself "To be or not to be?"

[Ceontea] Oh my! In Hamlet's company! I'm not fit for such company and cannot ask myself a question that will transcend the centuries. I ask myself a myriad of questions as well as those that the readers of this article ask themselves every day. One of these being: Until when can the Romanian people be humiliated by being forced to pay astronomical prices as tribute for their lowly food, when throughout the civilized world (basic) nourishment requires only a symbolic cost?

### Manolescu Analyzes Significance of USSR Coup

91BA1118B Bucharest ROMANIA LITERARA  
in Romanian 29 Aug 91 p 2

[Article by N.M.: "Moscow No Longer Believes in Perestroika"]

[Text] Probably never has a coup yielded results so different from the expected ones as has the one in Moscow on the dawn of 19 August: Instead of establishing a communist dictatorship, the uprising of conservatives in the Soviet Communist Party, the Army, and the KGB triggered an anticommunist revolution. According to the journalists in Moscow, the capital of the Soviet Union is very much like Bucharest in December 1989, except for terrorists. The almost unanimous opinion is that we are witnessing the death throes of world communism. If the Soviet Union's empire unravels to eventually become a democratic federation of states (that will include only part of the present republics), chances are considerably reduced that communism will survive in China (its last great bastion!) or in Cuba and other smaller countries. Karl Marx's ideas will probably be buried everywhere by the end of the millennium.

But I believe that beyond these optimistic forecasts it is undeniably important to note that the coup which in 72 hours became its own converse, has already placed an end to one notion, not yet the one belonging to Marx, but certainly the one advanced by Gorbachev, namely perestroika. Last week's events show that Moscow no longer believes in perestroika, that is, in the possibility of reforming communism gradually and from inside. The military coup was made possible by perestroika; and it is true that its collapse was also rooted in perestroika. But who can guarantee that the incipient civilian society in several Soviet republics would have demonstrated under any conditions their resistance to attempts at restoring communism? What would have happened for instance, if a personality of Yeltsin's magnitude had not existed, or if the leaders had prepared their coup more competently?

Gorbachev had been long warned about the huge risks of a policy of gradual change, which primarily protects the structures and men of the old system rather attempting to remove them. When he resigned in December 1990, Shevarnadze stated it with uncommon clarity; so did Boris Yeltsin when he personally entered the arena, becoming the first president freely elected in Russia's history. An attempted coup was necessary for Gorbachev to understand that half-measures do not serve the cause of democracy, but instead restore totalitarianism. The problem now is no longer whether he will suffer all the consequences of the tactical error he committed after being named to steer the Communist Party and Soviet state: The dislodged rock has become an avalanche. Many commentators are convinced that independently of how far Gorbachev will go with radicalization, he will still be swept out. His historic role appears to have ended together with perestroika.

Among all the former communist countries, Romania is the most shaken by the recent events in the USSR; it is not difficult to understand why. Nowhere (in some respects not even in Albania) was the idea of perestroika more faithfully applied than in Romania by the political power established after the revolution. Here, the only difference was that some events proceeded in a different order than in the USSR. There, perestroika first arose within the framework of the communist system and party, followed by the plot of generals and conservatives in the administration, and lastly the people's revolt. In Romania, the people's revolt was the beginning, to be followed by a perestroika within the framework of a system which although not that of classic communism, nevertheless programmatically avoids to profit from the advantages of the revolutionary state of mind created in December 1989, so as to rapidly and completely eliminate totalitarian structures. We can observe the same prudent politics of small steps, of half-measures, which those with restoration dispositions always use to better advantage than those with dispositions for reform.

Our leaders' argument is that the transition is long and difficult, and that it must be carried out with care so as

not to create chaos. This was also Gorbachev's argument. In the USSR or here, perestroika was the primary justification for the choice between dictatorship or economic and social chaos. The motive must be sought in the very nature of the reform conceived by Gorbachev and which our present leaders preferred to other solutions: Perestroika can neither dismantle the communist structures nor prevent their regeneration into a form that is new, but equally dangerous for the democratic process. It creates some seeds for civilian society, but does not guarantee the irreversibility of the process.

Let us remain lucid and avoid being caught up in the euphoria that followed the Moscow coup. I think that we have more to learn from the fact that it could occur, than from the fact that it did not succeed. And this, for the very simple reason that there are far more elements of chance that might not have coincided in the failure of the coup, than there are in the occurrence of the coup, whose logic, whose necessity, are on the contrary absolutely manifest. It is not an accident that Shevardnadze and others did predict the coup, but that almost no one believed that Gorbachev would return to the helm. Just read the press interpretations of the beginning of last week to appreciate the skepticism of the commentators!

And while we are still speaking of lessons to be learned, let us attempt to name the most important ones. There should no longer exist any doubt that the idea of perestroika has ended its career, and that a reform of the communist system cannot consist of anything else than the complete elimination of all its structures. Perestroika proved to be equally as nonfunctional for the economy as it was risky in the political sense. It attempted to run the socialist economic machinery with capitalist fuels; while the socialist mechanism once worked for better or for worse, it now no longer ran at all, as proven by the catastrophic drop in production (and productivity) in the USSR as well as in Romania.

The transition in itself does not explain anything: The gist is the approach used to pass from one system to another. The fact that the passage generates common epiphenomena in all countries leads to a serious misunderstanding: If Poland for instance, experiences a galloping inflation, or if interethnic conflicts have sharpened in Czechoslovakia, it does not mean that we can be

content with the idea that this is inevitable with any change in the social or economic system, without noting the different causes for these similar phenomena. Inflation can result both from price liberalization, without any profound change of the financial system, as well as from such a reform. It is important not to blame transition when the fault rests with an incomplete and incorrect reform. It is not transition, pure and simple, that is responsible for economic and social difficulties, but a failure to carry out reform does make the transition appear difficult. If we do not want to be confronted with dramatic situations like the recent one in the USSR, we must face more boldly the actual problem of transforming the system. This leaves no room for sentimentalism toward a doctrine that is an economical failure and socially criminal.

Mr. Iliescu recently stated in an interview with *TINERAMA*, that the communist way of life proved to be inhuman. I agree with him; but he also says that in the last century, when the Marxist idea emerged, it seemed to be an aspiration for improvement, for correcting the defects of capitalism. This opinion I do not share. Communism might have been a utopia, but it was a negative one: It did not in fact seek to improve capitalism, but rather to exploit some of its characteristics to develop into an ill-fated direction. Communism is a malignized capitalism, and was so from the start. To believe today that a democratic society can be built by correcting a communist one represents an illusion of equal magnitude. The tumor must be extirpated, and there is still no certainty that the organism will survive. Only shock therapy can offer some hope. This is probably the true, great problem currently facing the former communist countries of USSR and Romania: whether and how they will succeed in healing after such a horrible illness. There is no question of treating the disease with solicitude; an operation is absolutely necessary. And even after the operation, the disease can flame up again at any time. There is no other solution than a radical operation. Our hope is very fragile, and it is irresponsible and immoral to increase the risk of shattering this hope with a mistaken assessment of the disease and its nature. If Moscow no longer believes in perestroika, it would be normal for the reformers in Bucharest to no longer believe in it either.

**Root of Instability in Bosnia Examined***91BA1163B Belgrade NIN in Serbo-Croatian 13 Sep 91 pp 13-15*

[Article by Dr. Nenad Kecmanovic: "My Grave Is My Freedom"]

[Text] Is it a valid argument, as is frequently stated in the Sarajevo media, that the danger of division of B-H [Bosnia-Herzegovina] comes primarily, if not exclusively, from the covert actions of nationalists from Serbia and Croatia, the outright incitement in the newspapers coming from the two neighboring republics, the discreet agreements between Tudjman and Milosevic, and the indiscreet outbursts and attacks from the other side of the Una and Drina?

Brotherhood and unity, a sense of community and life together, the neighborhood and good-neighborly relations, just like similar formulas, both old and new, both manipulated and spontaneous, for tolerance and solidarity not confined to the three nationalities in the republic, have all of a sudden—it is thought, said, and written—been shaken by subversive ideologies imported from outside whose purpose is to divide our Bosnia and spoil the "interethnic idyll" traditional here. OSLOBODJENJE and the radio and TV, just like the central republic news monopolies, are located in Sarajevo. The editors are chosen in accordance with ethnic quotas, and the journalists, which is logical, are mostly of Muslim nationality—according to the logic of the ethnic composition of the republic, but still more the logic of the ethnic composition of this city. Just as inevitably as officials in Federal bodies are chosen exclusively according to ethnic quotas, but the dominant specialized business is mainly done by citizens of Belgrade, and they are mostly of Serbian nationality. And, as Alija Izetbegovic, president of the B-H Presidency, said recently in connection with the unbalanced ethnic composition of command personnel in the YPA [Yugoslav People's Army], "people are flesh and blood, so that even when they are exceedingly scrupulous and professional, still...."

Young, well-educated, and city-bred, these Sarajevo journalists transpose the ethnic-religious roots of allegiance to their nationality into an identification with B-H as a sovereign, indivisible, integral, and so on, republic, and potentially a state in alliance with someone or without anyone. That is why they do not stop short of saying that all the interethnic disagreements here have been provoked and manipulated from the east and west of the country, never even thinking that they are in any way insulting the other Bosnians and Herzegovinians, who do not take the view, nor could they, that what comes from the other side of the Una and Drina is foreign, much less hostile meddling from outside.

**Surprised and Insulted**

The best evidence that this is so lies in the quite certainly uncoordinated and increasingly frequent and ever fiercer

parallel outpourings of dissatisfaction of the leaders of the HDZ [Croatian Democratic Community] and SDS [Serbian Democratic Party] with the central republic media: the political commentary of the editors, the selection of news items, the ethnic composition of personnel.... And the resentment culminates in the purchasing or reading of newspapers exclusively from another republic, nonpayment of the radio-TV subscription, the focusing of transmitters over the borders of B-H, and so on. It is no accident that it is precisely the SDA [Democratic Action Party] that has the fewest objections to the media here and that once again they pertain mainly to the media from the two neighboring republics. In this respect, the Muslims of B-H irresistibly resemble Serbs emancipated from nationality and religion, so that just as the former identify with B-H as a whole, so the latter identify with Yugoslavia from Triglav to Djevdjelija. And just as the one group is surprised and offended by the disintegration of Yugoslavia, so the other group is equally surprised and offended by the similar process in B-H. On both sides, they also tend to see the causes in outside meddling with "Fifth Column support." Except that the Serbian stereotype runs like this: The Comintern, the Vatican, Vienna, and Berlin, plus domestic anti-Yugoslavs, are to blame for the disintegration of Yugoslavia, and the Muslim stereotype runs this way: Belgrade and Zagreb, plus internal anti-Bosnian elements, who prevent it from being as much its own as are the other republics, are to blame for the disintegration of B-H.

Neither, of course, is altogether groundless, but neither can it be the basic explanation for a process of general ethnicization not only in Bosnia-Herzegovina and Yugoslavia, but throughout continental East Europe. From Vladivostok to the Adriatic, the fall of bolshevism has meant the downfall of projects for socialist nations, homogeneous interethnic communities, displacement of the ethnic aspect by the class aspect.... National romanticism has taken hold in which smaller and smaller ethnic groups feel threatened by the larger ones, that is, those which are more numerous in a particular space of a state, republic, region, locality, etc., and they are trying to protect themselves by setting up borders of their ethnic space with direct or indirect reliance on larger concentrations of fellow members of their nationality.

**Divided Loyalty**

The Muslims are trying in every way to save B-H from being drawn into the Serbo-Croat conflict with a declaration on sovereignty, by proclamation of neutrality, with an international guarantee of internal borders and similar documents. However, even if they were to obtain the declarative support for this from both the Serbs and Croats, that is, from their ethnic parties, which represent them with a high legitimacy from the election, this still would be nothing more than empty words on paper. What would this signify in real political terms compared to the fact that two non-Muslim nationalities living in B-H represent a majority of more than half and are only

segments of two nationalities that are at war in neighboring republics? Can we really expect the western Hercegovinians to shoot at people from Imok in defending the independence of B-H or realistically expect eastern Hercegovinians to fight Montenegrins in order to protect the borders of their republic's sovereignty? There was no need for Ključić to say that Croats in B-H will come to the aid of fellow members of their nationality if Croatia should be attacked, nor for Karadžić to say in Vučji Dol that it is difficult to recognize the border between Hercegovina and Montenegro, because anyone with an elementary knowledge of the situation knows that that is precisely the case. So why should not Tudjman and Bulatović or Milošević say the same thing and count on it?

Many Muslims conclude from this with sincere bitterness that the Croats and Serbs have a reserve homeland, that they do not care about B-H, that they are even working against the sovereignty and integrity of their republic, that their body is here, but their heart is in Belgrade or Zagreb.... However, it is not true that Serbs and Croats do not identify with B-H, that they do not consider it their republic, but rather this is a case of what is called dual or divided loyalty. On the one hand: Republic loyalty is toward B-H, while on the other hand ethnic loyalty is with fellow members of their nationality in the two neighboring republics.

In the 1980's, when the former regime entered the phase of federating the federation, confederating the system, and federating the ruling party, that is, when republic-province statism was dominant, the former type of loyalty—to the republic—enjoyed much greater popularity. At that time, any cooperation with Zagreb and even more with Belgrade was looked upon in SR [Socialist Republic] B-H with official political suspicion, and many Serbian and even Croatian intellectuals in B-H paid a high price for that, and many of them had to leave the republic for good because of that. In the present period of closing ethnic ranks, the latter type of loyalty (to the nationality) is becoming foremost and acting as a centrifugal force striking from within against the borders of B-H. That kind of behavior, quite naturally, is not understood by Muslims in B-H, because they simply do not have that kind of political experience; it is, for instance, very close to the experience of the Sanjak Muslims. The latter are also in part loyal to their Republic of Serbia, but on the other hand they want firmer ties with fellow members of their nationality in B-H, or at least protection by some form of autonomy.

#### Each With His Own Version

At the same time, there is an equal lack of understanding on the part of Serbs and Croats in B-H and outside it for the position of Muslims, who are the third most numerous nationality in Yugoslavia, but the only ones who do not have their own national republic, that is, they share it with two other constituent nationalities. And then, you see, even today they do not have their representatives in the collective chief of the Yugoslav state,

yet the Albanians, although an ethnic minority, do have a representative. To go further, they are constantly an object of manipulation by both sides, whether this be a hypocritical flattery or arrogant belittlement. And all of this is done to hitch them up by hook or by crook to the wagon of the "eastern" or "western" policies, which have come into conflict independently of the Muslims.

All in all, then, the root of B-H's instability is not in Belgrade or in Zagreb, as it seems to Muslims, but in the fact that the Serbs and Croats here feel that they can guarantee their stable position in the republic, because individually they are not so numerically strong, only in firm ties with the majority in neighboring republics who are fellow members of their nationality. How much real basis there is for the way things appear to each of the three sides is another question, and is not even relevant in the concrete historical context, that is, in the context of practical politics. After all, when almost all adult inhabitants of B-H voted in democratic multiparty elections for the first time in half a century, the great majority opted in their political orientation to be above all Muslims, Serbs, and Croats, not citizens of B-H. This, of course, does not mean that at the same time they explicitly committed themselves to Muslimania, Serbia, and Croatia, but what the first group means by this is a "sovereign and independent state of Bosnia," the second group "some kind of federal Yugoslavia," and the last group "an independent state allied with Croatia."

And everyone is recommending to everyone else through their respective media in Sarajevo, Belgrade, and Zagreb their own version of preserving both B-H and Yugoslavia as the one that is most acceptable for everyone, and no one, of course, believes that it will be better for him in someone else's version. But, just as Yugoslavia is disintegrating because there are not enough Yugoslavs in it, so it is difficult to preserve B-H as well, because there are not enough Bosnians in it. That is why perhaps the only solution will be for everyone to carry out his own project both in the space of Yugoslavia and also in the space of B-H. In the broader case, as we see, this is already happening by force of arms and by the balance of power; in the narrower case, it also seems to have begun. But to the general surprise, for the present it is happening in a relatively peaceable and tolerant manner. In the Presidency, there are three presidencies, in the Assembly, there are three assemblies, in the government, there are three governments, and each is doing his job, but no one is imposing anything on anyone or hindering anyone in anything. Alija goes to see Qadhdhafi, Rafsanjani, Gligorov, and Waldheim without asking Biljana and Nikola, and then Momčilo goes to Belgrade without asking Alija, Ejup, and Konjčić, Stjepan goes to Zagreb to hold a press conference without having previously complained to either Alija or Momčilo, nor even to his own Jure, to the effect that he allegedly could not have done that in Sarajevo because of the news blockade against the HDZ. Everyone is absolutely amazed that this is possible, but Izetbegović, Karadžić, and Ključić nicely explained it all in their recent TV dialogue.

### Subtenant in One's Own Home

When Mr. Stjepan said that in reaction to the linkage of the banners of the MBO [Bosnian Muslim Organization] and the SDS, given the well-tied knot that existed long ago, tying together the flags of the SDA and HDZ, the Croats in western Hercegovina would carry out an uprising, Mr. Radovan retorted that the Serbs will not hinder secession of this almost ethnically pure territory by force. Mr. Alija and Mr. Adil publicly acknowledged on the same occasion that they could not prevent the secession of Bosanska Krajina and eastern Hercegovina, even with the help of the Army. Alija Izetbegovic also said the following: "We will negotiate as long as we can, even though only a small part of Bosnia remains," and that is presumably that same part of which he said on one earlier occasion that "the Muslims can prosperously control." There is no doubt that neither the Serbs nor the Croats can prevent them in that, even if they wanted to. For that matter, all three have ceremonially declared before the cameras that neither the Muslims, nor the Serbs, nor the Croats will take up arms, except in self-defense. And that means "peaceful Bosnia" and we thank them very much for that! After all, they did not figure out to "square the circle" of the Bosnia-Hercegovina ethnic republic, but rather it promoted them, and it is to their credit that the failure to solve this problem in political mathematics has not so far turned into religious and ethnic bloodshed. The world and Europe are constantly amazed that war has not broken out here yet solely because they do not know of our saying here, that belongs to the Muslims, the Serbs, and the Croats: "When the children are good, the house is big enough!" B-H is Muslim, it is Serbian, and it is Croatian, and so on that basis, everyone has the right in a complex community to an ideal part of his own space, which, when the marriage is dissolved, is turned into altogether real territory of the regional interopstina communities. If we cannot live in the same household, we will live as subtenants, just as we will be buried in separate cemeteries. And we will truly have quite a few subtenants in a "Muslim state of Bosnia," in a "Serbian state of Krajina," and in a "southeastern section of an independent state of Croatia." But under the conditions of the reciprocal personal autonomy recognized by civilized Europe, which means "both Croats and Muslims in Banja Luka and also Serbs and Croats in Sarajevo, Muslims and Serbs in Mostar, and so on," it is not terrible nor new, but only what up to now has been camouflaged is now clear and open.

### The Fourth Solution

For those who do not like this solution, there is also the institution of exchanging your apartment, and if you look at the classified advertisements in OSLOBODJENJE, POLITIKA, and VJESNIK you will see that the people, that is, the nationalities, are already preparing in a big way for the new geopolitical map of the former B-H and the former Yugoslavia. Our people (nationalities) are wise in having long ago felt where the wind was coming from and where it was going in that period when

the government of the time began to explain that we were no longer citizens of the SFRY, but we had republic statehood, that by no means could we be Yugoslavs, but on the other hand we could be anything else, that there was no longer brotherhood and unity, but only a sense of community, that the ethnic aspect was older than the class aspect and the civil aspect, and so on. If you do not believe it, look at the official statistics on the ethnic composition of migration over the last 10 years or more, and everything will be clear to you. But just because it is clear does not mean that it is also good for it to be that way.

Does this bear out the thesis that B-H cannot be preserved without Yugoslavia or at least without a linkage to the immediate Serbian and Croatian republic environment? Will the ethnic concentration or ethnic regionalization just described result in a disintegration of B-H and the attachment of some of its parts to neighboring republics as potentially separate states? Or perhaps there will be a reconstruction of the republic as an alliance of ethnic autonomies, but within the framework of the existing borders of B-H? Or the feeling of equality and security of all members of all nationalities in the republic will be sufficient to create another chamber in the parliament, that is, a chamber of nationalities, and the B-H Presidency will begin to make decisions by consensus? After the results of the election is B-H possible as a civil republic, or perhaps there is a solution which has not yet been put on the table? And how are we to arrive at formulas satisfactory to everyone pertaining to the relations of B-H and its peoples to the other parts of the country and its inhabitants, and will others in Yugoslavia consent to it? There are many more questions for the present than there are answers. But it is certain that they need to be sought in the Hague and also in Belgrade and Zagreb, but above all here in B-H, because the Bosnians and Hercegovinians themselves are more likely to find a solution for themselves and for the space in which they live. And if they do not find them peacefully and equally, they will not be able to blame that on anyone else.

### Interethnic Conflicts in Eastern Bosnia

91BA1163A Belgrade NIN in Serbo-Croatian 13 Sep 91  
pp 10-12

[Article by Uros Komnenovic and Bogdan Ivanisevic:  
"Nothing Cheerful From the Drina"]

[Text] Eastern Bosnia, more accurately the region of the Middle Drina valley, has unexpectedly—at least at first glance—become yet another hotbed of crisis in the central Yugoslav republic. Sentries posted at night, rallies, women and children in refuges, and barricades on the roads have become a commonplace scene around Bratunac in recent days. The climax was the shooting in the nearby hamlet Kajici in which Nedžad Hodžić and Dzemo Jusić lost their lives and Zaim Salković was wounded. They were all in an automobile driven by Mevludin "Mevko" Sinanović, the man for whom, by all

appearances, the bullets were intended. However, he was the only one who came out of the shooting unscathed.

Sinanovic, allegedly often seen in the company of Nurif Rizdanovic, former KOS [Counterintelligence Service] agent, whose name is associated with the "plotting" in this sensitive biethnic region (64 percent Muslim and 34 percent Serb), is one of the people most frequently mentioned in connection with interethnic conflicts in Bratunac and vicinity. The Muslim village of Glogova, where he lives, has bad blood with the neighboring Serbian village of Kravica, and recently this has largely been his doing. At one time he took down the Serbian flag in Kravica, threatened Serbs with a knife in a recent rally in Bratunac, and he would drive through Kravica in his "Lada" with a bad muffler, sometimes firing shots into the air. Because he went through all these incidents unscathed—including this last tragic one—his fellow Muslims called him "Holy Body."

Relations between Kravica and nearby Muslim villages have been tense for years now or, to use the mildest word, cool. More than half of all the casualties of World War II in the Bratunac region came from Kravica. In the era of "brotherhood and unity," tensions were suppressed, but with the formation of ethnic parties they surfaced once again. The SDS [Serbian Democratic Party] and SDA [Democratic Action Party] had founding assemblies on the same day last year, 19 August, in Bratunac and in Srebrenica, the neighboring opstina.

"On that occasion, SDS and SDA processions went through nearby settlements. Our procession was insulted and stoned," says Miroslav Deronjic, president of the SDS Committee in Bratunac Opstina. "There was shooting even in the SDS Assembly in Kravica. The policeman who was there, who was a Muslim, insulted the citizens and fired into the crowd, there was almost a lynching. Taken all in all, a terribly low level of culture has been displayed in recent days, because many people saw establishment of the ethnic parties as the beginning of a war. The public display of ethnic symbols has aroused the disgust and rage of 'those others.' Nevertheless, our party wanted to calm down the situation in the belief that things would fall in place with parliamentarianism."

Things have not fallen into place, because (the alleged?) appearance of Vojislav Seselj in this region has agitated the Muslim population, which since that time has for several months now been organizing village sentries in certain villages. The peace, fragile anyway, was shattered by events related to the issue of military records, which have recently been an acute problem for the entire republic. On Tuesday, 27 August, the Army came to take records, and the Muslims prevented them.

"We protested this in a conversation with the secretary of the opstina National Defense Secretariat, a Muslim, and offered a compromise to which he consented: that the draft cards for members of the Serb nationality be

turned over to the YPA [Yugoslav People's Army], and we were not concerned about the rest. The secretary said that that job would take him two days. We agreed and notified the Army to come in two days for 'our' cards. However, when the Army came, he would not even talk about that," Miroslav Deronjic says.

A crowd of Muslims, still larger because it was Friday, market day, gathered in front of the opstina building to prevent the Army, whose arrival had been announced, from taking the records. Access to the opstina building was obstructed by a barricade, which in the meantime the Serbs who had gathered managed to remove. But when some 15 soldiers started for the opstina building, a police cordon stood in their way. Behind the policemen were the Muslims, and behind the Army the Serbs. The Army was in a sandwich. The Muslims still were not letting them enter the opstina building, and the Serbs prevented them from returning without doing their job.

"If the Army had come from Bosnia, not over the Ljubovija bridge, from Serbia, it would all have been different," is the belief of Mirsad Kavazbasic, SDA leader in Bratunac.

The people from Glogova with whom we talked say that rumors began to circulate at that time among the assembled Muslims that this was not the real Army and that their cards would end up in Serbia. The Serbs, however, say that the Army came from that direction because the Muslims had blocked access from the Bosnian side.

Darkness fell, the tension rose. The Serbs—though with heavy heart—nevertheless responded to the request of the commander of the military unit and allowed the Army to leave. The Muslims saw this outcome as a victory and celebrated it boisterously in Bratunac and Srebrenica. People in Kravica, uninformed about what had been happening in the town because the telephone lines had been cut and motivated by rumors about the lynching of one of their citizens, set up barricades on the road. They captured some 20 Muslims, mainly young people returning from a dance in nearby Perani. The extremists had already begun to threaten them when Radomir Milosevic, village defense commander, ordered the release of the prisoners.

The next day, Saturday, the 31st, the Muslims gathered again in Bratunac, motivated by rumors that the Army was coming back. At the entrance to Kravica, someone fired and wounded two truckers from Han-Pijesak. The Serbian women and children began to flee into refuges. The gatherings of Muslims continued again on Sunday when in Bratunac there was an "assassination attempt" (the Serbian version) or "shooting in self-defense" (the Muslim version) on Rodoljub Djukanovic, chairman of the Executive Committee of the city's Assembly. The MUP [Ministry of Internal Affairs] found the offender and released him the same evening.

On Tuesday, two days later, the Serbs were removing the barricades. That same evening, Mevrudin [as published] Sinanovic drove through Kravica with three passengers

in his car. He was stopped in the village by a police patrol (according to him, they were all Serbs), but he stepped on the gas and passed through. A kilometer further on bursts fired on the car took the lives of Jusic and Hodzic. People fled in large numbers into refuges. Nearly 2,000 Serbian women and children fled to Ljubovija, from Bratunac they fled over the Ljubovija bridge, and those from Kravica, who were blocked off, crossed the Drina in boats. The Muslims were also fleeing to Srebrenica. There were barricades everywhere.

### Fort Kravica

In the days that followed, high-level republic officials (Hebib, Zepinic, and then Ganic, Koljevic...) were coming to Bratunac—mainly by helicopter—and trying in collaboration with local politicians to calm down the overheated situation. The gatherings of Muslims in Bratunac were not ceasing. While Avdo Hebib was trying to calm down those who were present, Sinanovic got hold of a microphone and promised that 2,000 Serbs would pay with their lives for the two Muslims who had been killed. Nighttime sentries in Kravica and Glogova exchanged bursts of fire. There was also shooting in nearby Srebrenica—although some people are inclined to say that this was done to drive the wild boars from the corn, which is customary at this time of the year.

The chief and commander of the public security station submitted their resignations. The sentries remained at their posts, but there was no more shooting or barricades. However, it is evident that the situation is still raw from the song that is popular in a Ljubovija motel, whose final verses are "There will be no absence now from my village, Kravica is getting ready for Glogova." And this is an indicator of the particular importance which Kravica has for Serbs in that area. They perceive it as an "unconquerable fortress in which Serbism is being defended," especially because the band of Serbian settlements extending from Sarajevo via Sokolac and Milici to the Drina is narrowest precisely in the vicinity of Kravica.

According to Miroslav Deronjic and Radomir Milosevic, people in the region of the middle course of the Drina have become convinced that the top leadership of the republic SDS is less and less deserving of support, because there is no political position concerning the future status of Serbs in this region. And they are proposing an urgent line of demarcation with the Muslims either in terms of territory or institutions. In the latter case, the Serbs and Muslims would have separate police forces, schools, enterprises, stores, and all the rest. One gets a different impression from the words of Nijaz Dubicic, president of the Bratunac Opstina Assembly, who says that interethnic relations in Bratunac Opstina have up to now been very good, and he finds the causes of their deterioration in the following:

"There are extremists on both sides, and their activity has not been interdicted in good times by the security forces and the courts. The resignations of the leading

people in the Bratunac MUP mark the beginning of reassessment of the work of that institution, which is something the citizenry has demanded of us. Both sides are condemning the extremists. The most important thing now is to calm down the situation and for the competent authorities to investigate these events and expose the perpetrators. When a fire flares up, the most important thing is to put it out, and then later find out what caused it."

Are the reasons for all these events really in the formation and activity of the ethnic parties, in the activity of extremists, and in the poor performance of certain government agencies? Two years ago a scandal broke out concerning a report by the Serbian SDB [State Security Service] to the effect that the Serbian population was threatened in the opstinas of Bratunac and Srebrenica because of the "general Muslim nationalist atmosphere." That state of affairs is cited as the cause of the exodus of Serbs from this region. The statistics confirm substantial changes in the ethnic composition of these opstinas. Whereas in 1971 there were 20,968 Muslims and 11,918 Serbs living in Srebrenica, according to the figures of this year's census there are now 27,118 Muslims and 9,381 Serbs living there. The situation is similar in Bratunac: In 1971, they were equal (13,428 Muslims and 12,820 Serbs), and now there are twice as many Muslims (21,564 as compared to 11,479 Serbs).

In spite of the altered ethnic composition, the Serbs here, resolute and frequently also radical, got their bearings in pretty good time even after the first multiparty elections. Their share in the government is greater than their share in the makeup of the population. The balance in the voting population does not coincide with the census (among the Muslims there are many not old enough to vote), the scattering of votes among reformers, Communists, and other parties is more common among the Muslims, especially their intellectuals, than among the Serbs, whose intellectuals are involved with the SDS to a man. Perhaps it is here that we should seek the reasons for the negotiating skill of SDS representatives when it came to distribution of positions in the newly constituted government. Thus, in Bratunac the Serbs represent 34 percent of the population, 40 percent of the electorate, they received 41 percent of the votes, and were given four of the seven (most important) offices appointed by the opstina Assembly. It is similar in Vlasenica: Although Serbs constitute 42 percent in the opstina (and Muslims 55 percent), the SDS has 27 seats and the SDA 26 seats in the opstina Assembly. The pattern is repeated in Zvornik as well. In the remainder of this community of opstinas, the absolute Muslim majority in Srebrenica and Serb majority in Sekovici hold power entirely in their hands.

### Political Skill

Faced with this kind of balance in the division of political power, especially after the results of the most recent census, the SDA has been trying to strengthen its influence in the economy and education. The schools are



a sore point. Because in the postwar period a large number of teachers from Serbia have come into these areas because of the shortage of local teachers, there are many more Serbs among educators (for example, in Zvornik 465 as compared to 65 Muslims). Insisting on the appointment of "its own" principals in the schools, the SDA has been arousing resistance from the other nationality because of doubts as to the professional competence of these people and the nepotism that might follow. How far this "battle for the schools" goes is indicated by the example of one deputy of the SDA in the republic Assembly, who has demanded that in the teaching of the Serbo-Croatian language Muslim literature be represented in proportion to the percentage of the Muslim population in the republic (?!).

In Vlasenica Opstina, the fight for management positions in the economy has become a key political issue. The headquarters of the bauxite mine, which is the economic backbone of the entire region, was moved this year from the mainly Muslim Vlasenica to nearby Milici, which is purely Serb and which is where the mine is located. In the opinion of Tomislav Savkic, chairman of the Vlasenica Opstina Committee of the SDS, the biggest drive of the SDA was aimed precisely at this mine—either to greatly increase the number of its personnel in the most important positions or to hinder the mine in its activity, that is, to destroy it economically.

In Zvornik and Vlasenica, where the principal disputes are being conducted in the economy and the schools, interethnic relations are nevertheless tolerable. In rural settings, it is true, it has become increasingly frequent for "bars and restaurants to be differentiated" ("Since I have been a member of the SDS, not a single Muslim has entered my restaurant," says one of the owners). At the same time, the party leaders in Zvornik made a joint visit two weeks ago to places where both nationalities suffered casualties in the last war and laid wreaths. "It is an obligation to make a gesture of respect to the casualties. We do not divide up the casualties," we were told by Asim Juzbasic, SDA leader in Zvornik. That is also the thinking of his fellow townsman Jovo Mijatovic, SDS deputy in the Bosnia-Herzegovina Assembly, known among Muslims as Jovo Backbone because he frequently quotes Vasilije, Orthodox bishop of Zvornik and Tuzla: "The Drina is the backbone of the Serbian people."

"The Drina has long been a great psychological boundary between the Serbs on the two sides of the river," Mijatovic says. "We have been persistent in our desire to remove that boundary. But it is not enough to say that. That is why we have decided to establish links in the economy, sports, culture, and education...."

The fact that the Serbs are looking to the other side of the river quite often irritates the Muslims. "Let the grain gleam here, and pray to God that rain falls in Serbia," an inhabitant of Glogova repeats the old saying. He, like the other inhabitants, wanted to remain anonymous, but lack of confidence in the Belgrade press is felt still more clearly in Potocari, a village near Srebrenica. This is one

of those places where a Belgrade journalist cannot be certain that he will be served coffee and cakes—which has happened to us, or curses muttered through clenched teeth—which has also happened to us.

Asim Juzbasic, leader of the SDA in Zvornik, believes that "Belgrade propaganda, just like Zagreb propaganda for that matter—is horrible." Nor is he satisfied with Television Sarajevo, which he considers communist. Less on ideological grounds and more on ethnic grounds, Serbs from these opstinas are also dissatisfied with Sarajevo television, even to the point where most of them do not pay their TV subscription. Nevertheless, because the Belgrade television program can be seen quite well in this region, and that television station is manifestly more biased than the one in Sarajevo, the Muslims feel "more threatened by the media." What is more, the Serbs here feel that they have a strong point of support in the neighboring "parent" republic, while the Muslims do not have that sense (in that situation their leaning toward Zagreb seems like a "way out" in a situation of desperate need).

#### The Idyll (That Has Begun)

It is natural, then, that the Muslims, as they say, "want a unified and sovereign Bosnia in which there is room for all." The Bratunac Muslims were insulted by the removal of Serbian women and children to Ljubovija during the period of the events which have been described: "Who are they fleeing from?" is the question they often put. Radomir Milosevic, Kravica defense commander has a ready answer to that: "We have been slaughtered in two wars, and we do not want any more experimentation."

In Tuzla, which once was the center of the entire region, there still seems to be trust. The policy of "brotherhood and unity," which has been changed only in a formal sense, still holds. People explain this in terms of the specific mentality and traditional interethnic tolerance which even the last war did not destroy.

"This has always been mainly a mining town, and people naturally depend on one another, and the main motto has been and will remain—live together," says Fehim Besic, organizational secretary of the League of Reform Forces of Bosnia-Herzegovina for Tuzla. Together with Durakovic's SDP [Socialist Democratic Party] are members of the victorious coalition (the only such case in Bosnia-Herzegovina). The ethnic parties, except to some extent the SDS, did far less well in the elections.

The nationality question is on a back burner, although there are hints that it could be otherwise. Recently, several hundred mobilized reservists, mainly Muslims and Croats, deserted their unit after a few days. Leading people in the Tuzla SDS, in turn, feel that the ruling coalition of reformists and the "left-wing bloc" is only a coalition of the HDZ [Croatian Democratic Community] and SDA in disguise.



Nevertheless, in Tuzla they still do not have on the agenda preventive agreements like the one concluded in Zvornik by leaders of the SDS and SDA, to the effect that the Serbs and Muslims of that region will not lift a hand against one another regardless of how events develop in the future in Yugoslavia and Bosnia. It seems, however, that the destiny of this region depends less on those who live here and more on the "war lords" in Belgrade, Zagreb, and Sarajevo....

### **Koljevic on Agreement of Bosnia Ruling Parties**

*91BA1163D Belgrade NIN in Serbo-Croatian 13 Sep 91 p 16*

[Unattributed interview with Dr. Nikola Koljevic, professor and member of the Bosnia-Herzegovina Presidency from the Serbian Democratic Party; place and date not given: "A Certain Hope"]

[Text] [NIN] To what extent is the state of Bosnia "eaten away" now from within?

[Koljevic] Put in the mildest terms, we must note that there is a great division in the state structure of B-H [Bosnia-Herzegovina]—from the Presidency, including the Assembly, to opstina authorities. The division is along ethnic lines. This has resulted in a blockage of government agencies. In the Presidency, Professor Plavsic and I have been forced to put a hold on our efforts until the operating procedure is drafted, for the simple reason that a large number of unlawful decisions have piled up. In the Assembly, this can be seen in the ever more frequent walkouts. In the opstinas, this is evident in conflicts over positions in the MUP [Ministry of Internal Affairs], not only in the opstina, but also in the republic MUP. This has resulted in a shattering and politicization of the security organization. There is also a danger of turning the Bosnian MUP into new paramilitary organizations.

[NIN] It is a question, then, of a struggle for power as such?

[Koljevic] Yes. Here are just some of the most drastic things: In the personnel policy of the MUP, they are bypassing the deputy minister of the MUP, who was chosen by the SDS [Serbian Democratic Party], and then certain Serbian personnel are being discharged and replaced by "subservient Serbs." And then on several occasions special units have been used without the order or knowledge of the minister or his deputy. But the worst thing is that an antiarmy disposition is being created. Even the police is becoming involved in preventing the YPA [Yugoslav People's Army] from taking over the military records. Finally, if we take territorial defense—along with the police, another instrument of direct power—we see that the SDA [Democratic Action Party] is trying to appoint a commander belonging to the Muslim nationality. Yet it is well known that according to the agreement among the parties there should be a representative of the Croatian nationality in national

defense, in the MUP the minister is a Muslim, and in territorial defense it is a Serb.

[NIN] What are the relations at the moment between the three ethnic parties in B-H?

[Koljevic] First, it is clear to everyone that there is a tacit coalition between the SDA and HDZ [Croatian Democratic Community]. This is evident with every vote in the opstinas, in every session of the Assembly, in every meeting of the Presidency. At the same time, there is the initiative of the MBO [Bosnian Muslim Organization] to reduce tension between the Serbian and Muslim nationalities. The leaders of the SDA interpret this as an attempt of the Serbs to impose political leadership on the Muslims. Thus, with a great manipulation in the media an attempt is being made to represent the differences between Mr. Abdic and Mr. Izetbegovic as the consequence of some "Serbian scenario."

Nevertheless, talks are being conducted at the moment between the SDA and SDS. An agreement has been reached that no nationality in B-H, especially in view of the Brioni Declaration and other documents of the European Community, will impose its political solutions on any other.

[NIN] What results can we expect from those talks?

[Koljevic] It is a very thankless business to predict anything in our country. The Yugoslav situation, in the words of one Soviet author, is more artistic than political. It is all like in a novel: You never know what is going to happen to the hero on the next page. But I must say that these are the most serious talks between the SDA and SDS that have occurred up to now over the last eight months. This instills certain hope. The other basis of our optimism is that our partners are beginning to realize how dramatic the situation is.

[NIN] How can those outside Bosnia influence Bosnia's survival?

[Koljevic] I must give you a very radical answer to that. I see that even you have been taken in by the propaganda that has lasted for many years—Bosnia should make its own decisions, but Serbia and Croatia are poisoning its life.

Since back in 1971, back in the time of Branko Mikulic and Hamdija Pozderac, an anti-Serbian and to some extent anti-Croatian propaganda campaign has been waged. That propaganda is against the legitimate rights and natural ties of the Croatian and Serbian nationalities with their parent bodies. We therefore feel that only regional autonomy would resolve the Bosnian question regardless of what the status of Croatia is in a future Yugoslavia, but it will be a completely sovereign state. Those parts of Croatian Bosnia, if I might put it like that, will have to have their own relations not only with the republic, but also with the state of Croatia. That will also be possible for the Serbian people, except that the Serbian people in Bosnia want to remain in Yugoslavia.

[NIN] You therefore propose establishment of regional autonomy?

[Koljevic] Yes. Only that would make it possible for all the nationalities in Bosnia to pursue their own will. This does not mean the end of Bosnia as a republic, it only means the end of unitary Bosnia. Now, I do not understand why the HDZ has not yet joined that initiative. Perhaps the HDZ, that is, the Croatian side, has certain other combinations involving Bosnia.

[NIN] You seem to be thinking that the HDZ's present advocacy of a unified Bosnia is insincere?

[Koljevic] Precisely so. It is very difficult to understand that a nationality has a marked desire to live in two different states.

[NIN] The Yugoslav crisis has already been internationalized. Do you see that as a danger?

[Koljevic] No. I think that that is very important, because applying the standards of international law will first of all place the Serbian people in a far better position. What we are demanding, and what the SDS has set out in detail in its pamphlet entitled "What the Serbs Propose," presupposes respect for all the standards of international law. Internationalization will help us to erase those effects of propaganda and the lies in the media which have been spread in a very organized and systematic way in the West.

[NIN] Are you not afraid because the Serbs and Serbia do not at the moment enjoy any significant support from European public opinion?

[Koljevic] That frightens us very much. We are particularly frightened by the behavior of the Serbian opposition, which is obviously concerned with problems that are a luxury and are on the verge of betrayal of the nationality.

#### **Serbian Volunteer Guards Commander Interviewed**

*91BA1163C Belgrade NIN in Serbo-Croatian 13 Sep 91  
p 26*

[Interview with Zeljko "Arkan" Raznatovic, commander of the Serbian Volunteer Guards, by Dusan Masic; place and date not given: "They Will Never Capture Me Again"]

[Text] The Lebanonization of Yugoslavia is going forward apace. On the one side of the fronts in Slavonia, Baranja, and western Srem at the moment there are members of territorial defense, detachments of the Serbian Radical Party, defenders of Serbian villages, members of the Serbian Guards, and units of the Serbian Volunteer Guards [SDG]. When we add to this those on the other side, members of the MUP [Ministry of Internal Affairs], the Corps of People's Guards, and Lord

knows who else, and between them the forces of the Yugoslav People's Army [YPA], it becomes an utter nightmare.

Zeljko "Arkan" Raznatovic, a man whose file is marked Number One in the Croatian card file of political enemies, is commander of the Serbian Volunteer Guards. In answer to the question of what kind of army that is, he simply pulled out his military identity card and read to us the following from its cover: "The Serbian Volunteer Guards is a Serbian army founded in order to defend Serbian homes, Serbian mothers, and Serbian children. This is an army not oriented to any political party, it came into being to help and defend Serbs wherever they may be located in the country or in the world. The task of the SDG is to preserve Serbism, Orthodoxy, the family, and Serbian harmony."

"At the moment, about 600 soldiers have an identity card like this. I say this, because the exact number is a military secret. These are Serbs from all parts of Serbia. They come from Leskovac, Paracin, Pristina, Negotino, from Cacak, Nis, Novi Sad, even Osijek. We have people from every part of Serbia, but this is an army that is 100 percent outside the political parties. At the moment, they are in Slavonia, Baranja, and western Srem."

We came upon Zeljko Raznatovic in his pastry shop in Belgrade. He came, he said, to bury his dead and "lick his wounds."

"Although I have four minor children, a wife, my private business, my company, I also have this Obilic blood in me which drives me to go and wage war and to defend Serbian women, children, and the elderly, Serbian homes, the faith, and the monasteries."

Zeljko Raznatovic graduated from the hotel and restaurant school and his principal occupation is that of pastry cook. Aside from the firm "Ari," he is also president of the "Delije" boosters' club.

[Masic] Have you had problems of any kind in Serbia because of what you are involved in?

[Arkan] We have not had any problems whatsoever, because we are not against the government. We are not fighting against socialism nor against anyone. We are fighting external enemies. We are not interested in who is in power and what kind of power it is. The main thing is that Serbia be peaceful. People think that I have political ambitions. However, politics and power do not interest me. I am interested only in the Serbian people, I am interested in freeing myself of those Ustasha knives and fascist ghosts.

[Masic] Does that account for the amount of hatred in your words?

[Arkan] The hatred is because so far I have buried four of my soldiers. Two of them were captured alive in an Ustasha ambush in Laslovo. They died the most horrible death and in the most terrible pain. They were burned and cut. One was returned with a head and arm missing.

All of that has planted hatred in me. But I will not pay that back in kind, I will not torture their soldiers, and I will not slaughter their women and children. That is out of the question, because we are the Serbian Volunteer Guards. We will send them honorably before the firing squad, and I can declare here that from the moment when they tortured my two soldiers, the SDG will no longer take any Ustasha and Black Legion prisoners.

[Masic] What kind of reception have you been having in the Serbian villages in Slavonia?

[Arkan] The Serbian people are an intelligent people. The Serbian people see which army is honorable and who intends to do good for that people. And I think that my boys—who do not drink, who have shown from the beginning that they are there to defend them—deserve the trust of that people. That army of mine has been received with open arms. This is evident from the fact that people are constantly bringing them five kinds of cake. Although I get angry at those Serbian mothers and wives and tell them that they are spoiling my army, that the boys will gain weight and get out of shape, they continue to bring them. This is one piece of evidence that those Serbian people truly love us. In addition to us, there are also members of the Radical Party of Dr. Vojislav Seselj. However, we are separate from them and we collaborate only on the matter of defense. So far we have not had any very close cooperation. We are under the command of the territorial defense of Slavonia, Baranja, and western Srem. As far as the Yugoslav People's Army is concerned, our attitude toward them is correct. We have not had any cooperation, because we are not waging war together. As far as symbols go, there is none of that on our uniforms at the front, because this was requested by the Supreme Command of Slavonia, Baranja, and western Srem. We removed the symbols, and now we are merely Serbian volunteers there.

[Masic] Do you sometimes think about what will happen if you fall into the hands of the Croatian authorities?

[Arkan] It is a very serious matter to fall into the hands of the Croatian authorities. This happened to me only once, and that was a trick. I know everything about that trick, but the time has not yet come for the general public to learn of it. The next time they can take me only dead, but there will be no next time.

[Masic] What do you think about the popularity in the media of commanders of Serbian paramilitary formations such as Captain Dragan, Djordje "Giska" Bozovic, and now you as well?

[Arkan] That popularity in the media is something that occurs on its own, and there is nothing we can do about it. I know Captain Dragan personally, and I can say of him that he is a good soldier, that he is a true and distinguished Serb, and in general I have a very good opinion of him. I also know Giska, but I do not know his guards. I am mainly at the front, and I hear that they are training in the woods around Belgrade. I do not know the structure of those guards, but I welcome any Serbian

army which has risen up to defend this people. Especially because I have even seen people bare-handed on the front. Some of them are armed with hunting rifles, and some of them with pitchforks and scythes. There are territorial defense units consisting of local people who have not yet even been trained. They have distributed some uniforms, but they know little about the military arts. The only special units and trained units are mine. Every one of my soldiers has had to have served in the YPA, and we assign him according to the arm he was in. We are trying to get the weapon which he had in the Army. We, of course, do not have tanks, although we do have drivers and gunners, so that we would be overjoyed if the YPA gave us a few tanks, because it would make it much easier for us to wage war. We have obtained our own weapons, but most we have taken from the enemy.

At the end of this interview, we asked Zeljko "Arkan" Raznatovic, commander of the Serbian Volunteer Guards, whether all that meant that we have a long and bloody war ahead of us? Unfortunately, his answer was in the affirmative.

#### **Platform on Constitutional Status of Krajina**

*91BA1162D Belgrade BORBA in Serbo-Croatian  
9 Sep 91 p 6*

[Article by S. Stamatovic: "With Serbia in All the Versions"]

[Text] Knin—The undertaking of a fundamental reconstruction of Yugoslavia, which presupposes erasure of the so-called AVNOJ [Antifascist Council for the National Liberation of Yugoslavia] borders and establishment of a new internal division of territory, which SAO [Serbian Autonomous Oblast] Krajina has already done with its decisions based on two referendums, was the occasion for defining the constitutional position of SAO Krajina, which was offered the other day to the public in the form of a platform, and following adoption will be taken up in a session of the meeting of SAO Krajina.

The platform offers several versions of Yugoslavia's constitutional position which it says are acceptable. It sees the first possibility in the unification of SAO Krajina with Bosanska Krajina and the formation of a separate federal unit—the "United Kralinas." There is a footnote to this possibility that if it should be carried out directly, the remainder of Bosnia would be a federal unit to itself.

Another possibility, according to the platform, is for Krajina to be part of Serbia. Serbia would thus consist of two parts, and there would be no direct territorial link between them. Examples are given for this solution in the light of East and West Pakistan, which for 20 years represented two separate federal units of the Pakistani Federation and were separated by India.

The example of East Prussia is also given; between the two world wars, it was separated by the Polish Corridor

from the German Reich of which it was a part, and the example of Alaska, separated by the territory of Canada from the North American federation.

If Krajina should become part of Serbia, the platform envisages that in this case it would be an integral part of the Republic of Serbia and might possibly have the status of an autonomous unit, like Vojvodina and Kosovo and Metohija.

Finally, a third possibility is given in this document whereby Krajina, as a compact territorial unit, would be given special status in a future Yugoslav federation and Krajina would not be associated with any of the federal units. For this possibility, they also offer the examples of Alsace-Lorraine, and then Puerto Rico, certain states in the Indian Union, and so on.

The document also mentions the idea of organizing Yugoslavia as a regional state such as already exists in present-day Spain, and it speaks in this connection about division of the land within the present borders into a certain number of regions (oblasts) that would constitute rounded geographic, national, and possibly even historical and ethnic entities to themselves. Through their own official entities, the regions would possess a broad range of authority in the oblast that would be granted by the country's constitution, they would adopt their own

charter and statutes, while the constitution would establish its own jurisdiction, and the work of regional bodies would be under the supervision of central authorities. The central parliament, it is proposed in this platform, would consist of two chambers—the chamber of citizens and the chamber of regions.

The regions would have to be units consisting of several hundred thousand inhabitants which, even in the course of formation, would not be artificial creations, but, it is provisionally stated, "natural." They would automatically assert themselves in keeping with historical, geographic, ethnic, and other criteria.

The platform of the government of SAO Krajina concerning the constitutional position of Krajina especially emphasizes that repetitions of the past, recollections of the Ustasha genocide, and then the present-day views of the Supreme Command in Croatia, which were manifest in the Croatian Constitution adopted in December 1990 and in everything that has been happening in Croatia in recent days, indicate that an autonomous status of Krajina within Croatia does not come into consideration as a possible solution, because the Serbian people of Krajina have already voted in favor of a firm community with Serbia. Each of the three solutions mentioned would be acceptable for Krajina, but the decision favoring one of them would depend above all on two factors—constitutional reconstruction of Yugoslavia and the territorial extent of the future state community.

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